

**HARRIS COUNTY, GEORGIA
FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

Harris County, Georgia
Annual Financial Report
For The Year Ended June 30, 2018

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Independent Auditor's Report

Harris County Board of Commissioners
Harris County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harris County, Georgia (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Harris County Health Department, which represent 17 percent, 3 percent and 26 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Harris County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 – 16 and other required supplementary information on pages 63 – 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary schedules (pages 66 – 129) are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Harris County Board of Commissioners
Harris County, Georgia
Page Four

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 18, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Harris County, Georgia's (the County) annual financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The County's assets exceeded its liabilities by \$80,145,925 (net position) for the fiscal year reported.
- Total net position are comprised of the following:
 - (1) Net investment in capital assets, of \$60,682,864 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net position of \$4,402,595 is restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$15,060,466 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of \$12,892,456 this year. This compares to the prior year ending fund balance of \$16,879,447 showing a decrease of \$3,986,991 during the current year. Unrestricted fund balance of \$8,127,707 at June 30, 2018 shows a \$1,339,379 increase from the prior year.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was \$7,912,281 or 37.9% of total General Fund expenditures, as compared to 36.3% at June 30, 2017.
- Overall, the County continues to maintain a strong financial position amidst a steadily recovering economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include water, solid waste and the airport.

The government-wide financial statements are presented on pages 17 & 18 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The budget to the actual presentation for the general fund is also presented as a basic financial statement.

The basic governmental fund financial statements are presented on pages 19 - 22 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary funds* are reported in the fund financial statements and generally report services for which the County charges customers a fee. The County's proprietary funds are classified as enterprise funds. The enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the County organization for water services, the landfill and solid waste pickup and the airport services.

The basic enterprise fund financial statements are presented on pages 23 – 25 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 29 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information relating to funding progress for the County's pension plan.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Financial Analysis of the County as a Whole

The County's net position at fiscal year-end is \$80,145,925, as compared to \$78,295,711 at June 30, 2017. The following table provides a summary of the County's net position:

Summary of Net Position

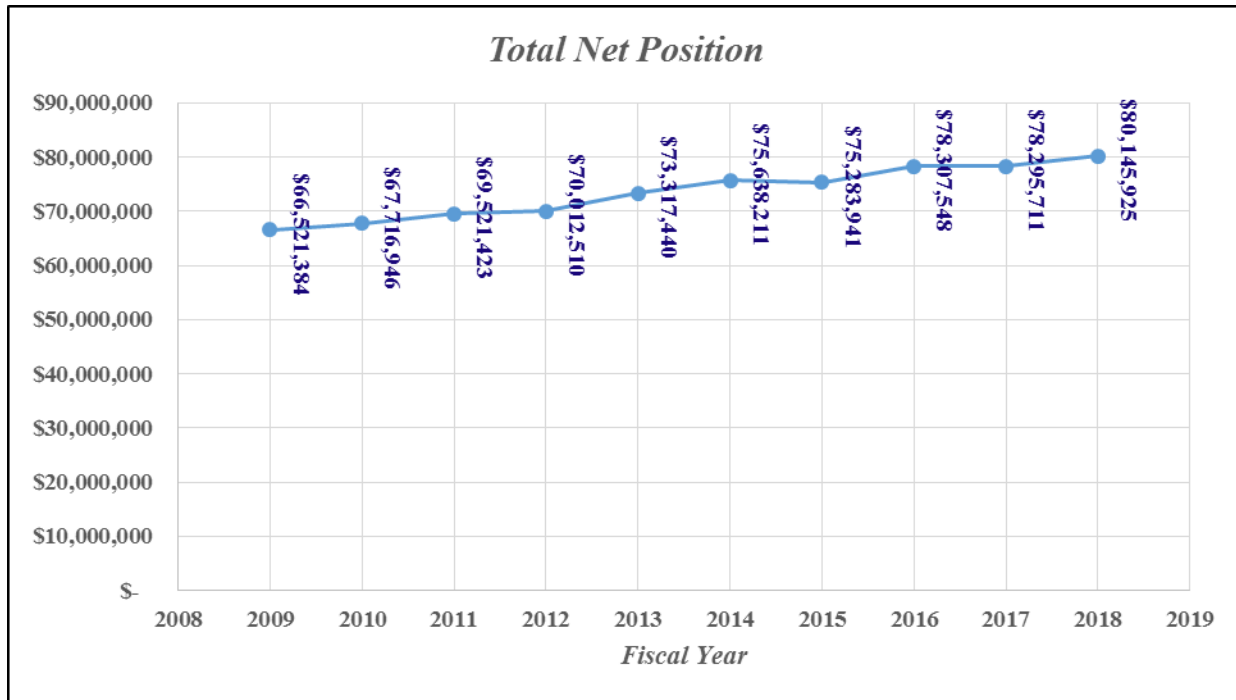
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current assets	\$ 15,817,772	\$ 19,155,420	\$ 9,600,962	\$ 9,509,242	\$ 25,418,734	\$ 28,664,662
Noncurrent assets	50,835,133	46,930,131	31,091,112	31,121,173	81,926,245	78,051,304
Total assets	66,652,905	66,085,551	40,692,074	40,630,415	107,344,979	106,715,966
Deferred outflows	1,476,723	1,257,290	275,238	367,496	1,751,961	1,624,786
Liabilities:						
Current liabilities	2,587,564	3,078,401	1,614,869	1,442,759	4,202,433	4,521,160
Long-term liabilities	15,439,645	16,235,326	8,315,917	9,083,258	23,755,562	25,318,584
Total liabilities	18,027,209	19,313,727	9,930,786	10,526,017	27,957,995	29,839,744
Deferred inflows	854,692	163,170	138,328	42,126	993,020	205,296
Net position:						
Net investment in capital assets	37,770,385	32,881,197	22,912,479	22,297,584	60,682,864	55,178,781
Restricted	4,107,781	9,347,462	294,814	287,631	4,402,595	9,635,093
Unrestricted	7,369,561	5,637,284	7,690,905	7,844,553	15,060,466	13,481,837
Total net position	\$ 49,247,727	\$ 47,865,943	\$ 30,898,198	\$ 30,429,768	\$ 80,145,925	\$ 78,295,711

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 6.1 to 1 as compared to 6.2 to 1 at June 30, 2017. The current ratio for business-type activities is 5.9 to 1 as compared to 6.6 to 1 at June 30, 2017.

The County reported positive balances in net position for both governmental and business-type activities. Net position increased \$1,381,784 or 2.9% for governmental activities, and increased \$468,430 or 1.5% for business-type activities. The County's overall financial position increased during fiscal year 2018 by \$1,850,214.

Note that approximately 76.7% of the governmental activities' net position is tied up in capital. The County uses these capital assets to provide services to its citizens. However, with business type activities, the County has spent approximately 74.2% of its net position on capital.

The following chart reports the total net position balances from June 30, 2009 – 2018.



Since 2009, the total net position has increased \$13,624,541 or 20.5%.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
As of and For The Year Ended June 30, 2018

Harris County, Georgia

The following table provides a summary of the County's changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program:						
Charges for services & fines	\$ 4,960,741	\$ 4,893,065	\$ 7,305,493	\$ 7,431,676	\$ 12,266,234	\$ 12,324,741
Operating grants	40,473	36,263			40,473	36,263
Capital grants	2,998,693	1,854,531	51,578	752,008	3,050,271	2,606,539
General:						
Taxes	19,973,171	15,739,530			19,973,171	15,739,530
Other	104,285	54,600	51,560	27,066	155,845	81,666
Total revenues	<u>28,077,363</u>	<u>22,577,989</u>	<u>7,408,631</u>	<u>8,210,750</u>	<u>35,485,994</u>	<u>30,788,739</u>
Program Expenses:						
General government	3,705,263	5,661,334	-	-	3,705,263	5,661,334
Judicial	1,516,684	1,354,185	-	-	1,516,684	1,354,185
Public safety	12,633,624	11,831,495	-	-	12,633,624	11,831,495
Public works	5,620,461	2,697,004	-	-	5,620,461	2,697,004
Health and welfare	278,598	287,450	-	-	278,598	287,450
Culture and recreation	1,789,085	1,280,448	-	-	1,789,085	1,280,448
Housing and development	447,688	605,899	-	-	447,688	605,899
Interest	704,176	574,669	-	-	704,176	574,669
Water and sewer	-	-	4,639,071	4,255,205	4,639,071	4,255,205
Solid waste	-	-	1,615,078	1,707,570	1,615,078	1,707,570
Airport	-	-	686,052	545,317	686,052	545,317
Total expenses	<u>26,695,579</u>	<u>24,292,484</u>	<u>6,940,201</u>	<u>6,508,092</u>	<u>33,635,780</u>	<u>30,800,576</u>
Revenues over (under) expenses	1,381,784	(1,714,495)	468,430	1,702,658	1,850,214	(11,837)
Transfers in (out)	<u>-</u>	<u>(76,358)</u>	<u>-</u>	<u>76,358</u>	<u>-</u>	<u>-</u>
Net changes in net position	1,381,784	(1,790,853)	468,430	1,779,016	1,850,214	(11,837)
Beginning net position	<u>47,865,943</u>	<u>49,656,796</u>	<u>30,429,768</u>	<u>28,650,752</u>	<u>78,295,711</u>	<u>78,307,548</u>
Ending net position	<u>\$ 49,247,727</u>	<u>\$ 47,865,943</u>	<u>\$ 30,898,198</u>	<u>\$ 30,429,768</u>	<u>\$ 80,145,925</u>	<u>\$ 78,295,711</u>

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes, including vehicle tax, provided 44.6% of the County's total governmental revenues as compared to 38.4% in fiscal year 2017. Sales taxes make up 19.1% of the County's total governmental revenues as compared to 23.0% in fiscal year 2017.

Capital grant and capital contribution type revenue was reported in fiscal year 2018 for the public works (\$920,163) and culture and recreation functions (\$2,078,530) included the following:

Public works:

- Georgia LMIG grant for roads (\$918,663)
- GSWCC Watershed Dam (\$1,500)

Culture and Recreation:

- Donations (\$842,448)
- Georgia regional library grant for library construction (\$1,236,082)

In total, charges for services and fines for the governmental user charges increased by \$67,676. The County realized increases in real property taxes, local option sales tax and insurance premium tax of \$3,554,945, \$55,453 and \$110,068 respectively. State reimbursements for County subsidy payments for state inmates increased by \$28,088, based upon \$20 per day. The County also realized an increase from ambulance fees of \$65,701.

The County's unrestricted interest earnings to support governmental activities increased by \$34,670 due to a reclassification of investments from minimal interest bearing cash accounts to State pooled investment accounts. Also, note that program revenues cover 30.0% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 70.0% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government and the public safety functions make up approximately 61.2% of the total governmental activities expenses as compared to 72.0% in fiscal year 2017. Public works totals 21.1% of the total governmental activities expenses as compared to 11.1% in fiscal year 2017. In addition, for 2018 certain expenditures related to pension and health insurance were reclassified from the general government function to the various departments.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	%	Net Cost of Services	%
General government	\$ 3,705,263	13.9%	\$ (2,793,916)	14.9%
Judicial	1,516,684	5.7%	(1,513,511)	8.1%
Public safety	12,633,624	47.3%	(9,090,310)	48.6%
Public works	5,620,461	21.1%	(4,569,778)	24.4%
Health and welfare	278,598	1.0%	(266,598)	1.4%
Culture and recreation	1,789,085	6.7%	379,933	-2.0%
Housing and development	447,688	1.7%	(137,316)	0.7%
Interest	704,176	2.6%	(704,176)	3.8%
	<hr/>		<hr/>	
Total	\$ 26,695,579	100.0%	\$ (18,695,672)	100.0%

The public safety function totals 48.6% of the net cost of services and public works totals 24.4% of these costs.

Overall Analysis – For all enterprise funds, total operating revenues decreased \$126,183 or 1.7%. Operating expenses increased \$350,880 or 5.6%. In total, the operating income decreased \$477,063 or 41.0%.

The operating income (loss) for each utility was as follows:

	<u>Amount</u>
Water works	\$ 555,992
Solid waste	473,602
Airport	(343,977)

The following includes an analysis of the fiscal year 2018 financial activities for each enterprise.

Water Works - The operating income of \$555,992 in fiscal year 2018 compares to operating income of \$1,062,487 in fiscal year 2017. The fiscal year 2018 operating revenues of \$4,879,154 were \$206,772 or 4.1% under fiscal year 2017. Operating expenses increased \$299,723 or 7.4% due to costs related to personnel and materials and supplies purchased toward the on-going construction of the water treatment plant.

Solid Waste - The operating income of \$473,602 in fiscal year 2018 compares to operating income of \$304,684 in fiscal year 2017. The fiscal year 2018 operating revenues increased \$79,333 or 4.0% above fiscal year 2017. Operating expenses decreased \$89,585 or 5.3% due mostly to decreases in purchased service – tipping fees.

Airport - The operating loss of \$343,977 in fiscal year 2018 compares to an operating loss of \$204,491 in fiscal year 2017. The fiscal year 2018 operating revenues were relatively flat as compared to fiscal year 2017. Operating expenses increased \$140,742 mostly due to costs related to personnel and an increase in depreciation of \$118,680.

Financial Analysis of the County's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$12,892,456 as compared to the 2017 fiscal year amount of \$16,879,447. Of this year-end total, \$8,127,707 is unrestricted indicating availability for continuing County service requirements. Fund balance includes \$3,610,553 restricted for capital projects, \$246,292 restricted for debt service and \$198,551 restricted for nonmajor special revenue fund purposes. Fund balance committed to recreation is \$307,288 and fund balance includes assets not available for current expenditure of \$402,065, which is tied up in inventory and prepaid assets.

The total ending fund balances of governmental funds show a decrease of \$3,986,991 or a decrease of 23.6% under the prior year.

Major Governmental Funds

General Fund - The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased \$68,951 in fiscal year 2018 or an increase of 0.8%. In fiscal year 2017, the fund balance decreased \$2,382,241.

Total revenues increased \$4,292,637 or 25.2% from that of fiscal year 2017 due largely to an increase in the property tax millage rate.

In total, intergovernmental grants increased \$105,557 or 12.3%, related to State LMIG, GSWCC, EMA, EMS and SORNA grants highlighted earlier in the MD&A

Total expenditures increased \$2,728,523 or 15.0% above the fiscal year 2017 total due mostly to increased personnel costs and road maintenance related to LMIG funds.

The general government function costs are down \$1,792,174 or 34.2% under the fiscal year 2017 amount. This large amount is related to a reallocation of pension and insurance costs to the proper cost center during fiscal year 2018. Recurring major changes include:

- Pension expenditures increased \$75,769 or 7.8% based upon the changes in the actuarial valuation.
- Group health insurance (including HRA costs) increased \$295,068 or 22.6%.

In the judicial function, the total expenditure increased \$165,031 or 7.8%.

The total public safety costs increased \$1,999,368 or 24.1%. As stated previously, this significant increase relates to a reallocation of pension and insurance costs for sheriff, correctional institute and emergency medical services.

Total public works costs increased \$1,997,404 due to the reallocation of pension and insurance costs and to increased road paving through LMIG funding.

The expenditures for the remaining functions were also up due to the reallocation of pension and insurance costs out of the general government function during fiscal year 2018.

In fiscal year 2018, the general fund's ending unrestricted fund balance increased by \$1,327,364 above the June 30, 2017 balance due mainly to the increase in property tax millage rate. This unrestricted balance of \$7,912,281 is considered adequate. This unrestricted portion represents the equivalent of 37.9% of annual expenditures, as compared to 36.3% last year.

2014 SPLOST Fund – In fiscal year 2018, this fund reported revenues of about \$2.54 million, of which the majority was SPLOST taxes received from the County. The County spent \$3,294,472 for capital outlay and \$885,176 for the distribution of the SPLOST to the cities. The ending fund balance totals just under \$2.0 million.

Callaway Debt Service Fund - This fund is used to account for the debt service on a GEFA loan. The Callaway Foundation reimburses the County for the cost of this debt service.

Capital Projects Fund - This fund is used to account for the construction of capital projects. In fiscal year 2018, construction on a new library was completed. Total project funding broke down as follows: \$1,500,000 from the 2009 SPLOST, \$500,000 from the 2014 SPLOST, \$2,000,000 from State contributions, \$274,200 from General fund and private donations of \$842,448.

The Proprietary Funds

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2018, the Board of Commissioners amended the general fund budget.

The total budgeted revenues and other financing sources were amended upward by \$392,263 or 1.6%. The County recognized \$1,361,955 more than anticipated total revenues, primarily in real property taxes.

The total budgeted expenditures, excluding transfers, were amended upward \$246,311.

The total budgeted expenditures and other financing uses came in at \$2,552,463 under the final amended budget for the general fund.

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2018, was \$50,797,870 and \$31,091,112 and for June 30, 2017 was \$45,857,176 and \$31,121,173 respectively. The increase in net investment was \$4,940,694 or 10.8% for governmental activities and was a decrease of \$30,061 or 0.1% for business-type activities. See Note 3-E for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity.

Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Non-depreciable assets:						
Land	\$ 15,077,803	\$ 15,077,803	\$ 693,751	\$ 693,751	\$ 15,771,554	\$ 15,771,554
Construction in progress	308,989	1,528,585	5,817,035	8,217,352	6,126,024	9,745,937
Total non-depreciable assets:	15,386,792	16,606,388	6,510,786	8,911,103	21,897,578	25,517,491
Depreciable assets:						
Buildings and improvements	25,950,394	20,823,642	6,507,058	3,708,565	32,457,452	24,532,207
Machinery and equipment	23,780,827	21,263,059	7,366,312	6,827,890	31,147,139	28,090,949
Water system and water lines	-	-	28,764,465	28,544,556	28,764,465	28,544,556
Infrastructure	29,061,161	28,208,936	-	-	29,061,161	28,208,936
Total depreciable assets	78,792,382	70,295,637	42,637,835	39,081,011	121,430,217	109,376,648
Less accumulated depreciation	43,381,304	41,044,849	18,057,509	16,870,941	61,438,813	57,915,790
Book value - depreciable assets	35,411,078	29,250,788	24,580,326	22,210,070	59,991,404	51,460,858
Percentage depreciated	55%	58%	42%	43%	51%	53%
Book value - all assets	\$ 50,797,870	\$ 45,857,176	\$ 31,091,112	\$ 31,121,173	\$ 81,888,982	\$ 76,978,349

At June 30, 2018, the depreciable capital assets for governmental activities were 55% depreciated. This compares to 58% at the June 30, 2017 percentage. Indicating an aging asset inventory, 55% depreciated is a relatively high rate for a Georgia government.

With the County's business type activities, 42% of the asset values were depreciated at June 30, 2018, which compares to 43% at June 30, 2017.

In governmental activities, the primary additions to infrastructure were the completion of Hardage Road at a cost of \$852,221. The primary additions to the machinery and equipment account include seven new fire trucks for the volunteer fire departments at \$2,143,596, \$349,004 for upgraded E911 CAD and five new sheriff vehicles at a total cost of \$196,898. The primary addition to buildings and improvements was the construction of the library at a cost of \$5,116,067.

In the business type activities, the deductions to the construction in progress and additions for buildings and improvements are the completion of the water filter plant at a cost of \$2,758,956. The primary additions to the machinery and equipment account include two new garbage trucks at \$360,288 and water line extensions and water works equipment.

Long-term Debt

At the end of this fiscal year, the County reported \$6,388,142 of outstanding revenue bonds relating to the community center and \$5,400,000 in revenue bonds relating to the Grove Sewer project. The water and sewer fund reported \$5,610,015 in revenue bonds relating to water and sewer system improvements.

During the year, the County added \$259,750 or 0.04% of the beginning outstanding governmental activities community center revenue bonds through a refinancing process. The water and sewer fund retired \$482,744 or 7.9% of the beginning outstanding water revenue bonds.

The following schedule reports long-term debt balances for both governmental activities on a comparative basis.

	Outstanding Borrowings						
	Governmental Activities		Business-type Activities		Totals		% Change
	2018	2017	2018	2017	2018	2017	
GEFA loans	\$ 1,088,309	\$ 1,197,835	\$ 2,530,042	\$ 2,487,798	\$ 3,618,351	\$ 3,685,633	-2%
Revenue bonds	11,788,142	11,528,392	5,610,015	6,092,759	17,398,157	17,621,151	-1.27%
Capital leases	151,034	249,751	38,576	243,033	189,610	492,784	-61.52%
Net pension liability	2,844,884	3,769,529	581,642	731,291	3,426,526	4,500,820	-23.87%
Postclosure	-	-	202,350	220,490	202,350	220,490	-8%
Compensated absences	310,601	290,312	72,265	70,328	382,866	360,640	6%
Total	\$ 16,182,970	\$ 17,035,819	\$ 9,034,890	\$ 9,845,699	\$ 25,217,860	\$ 26,881,518	-6%

See Note 3-H for additional information about the County's long-term debt.

Economic Conditions Affecting the County

Harris County in General

Harris County is located in the west-central portion of the State of Georgia 80 miles southwest of Atlanta, the state capital, 70 miles southwest of Atlanta's Hartsfield-Jackson International Airport, and 24 miles north of Columbus on the I-185 and I-85 interstate corridors and shares a western boundary with the state of Alabama. The county is primarily rural and has a tourism component consisting of the Callaway Gardens Resort, a private 2,500 acre resort with a lodge and spa, hotel, conference centers, cottages, villas, golf course, and garden type amenities such as walking trails, biking trails, lakes, and many paid events throughout the year. The county is also home to the 9,049 acre FDR State Park with amenities including lakes, walking trails, cottages, campsites, and horse stables and Lake Harding, a recreational lake. The county has five incorporated municipalities, Pine Mountain, Waverly Hall, Shiloh, a portion of West Point, and Hamilton, the county seat.

The county's current population according to the U.S. census is 33,915 as of July 2017 and has increased 6 % since April 2010. The county's land area is 464 square miles with a population density of 69 residents per square mile. Approximately 94% of the population resides in the unincorporated area of the county. The county's per capita income is \$30,703 as compared to the state at \$29,829.

Other county facts according to U.S. Census Bureau include the county has 14,163 housing units with a median home value of \$200,200. In addition, 90% of the county's residents over 25 years of age have a high school degree as compared to the state at 87% and 27% of the county's residents over 25 years of age have a Bachelor's degree as compared to the state at 30%.

Harris County is a rural community but provides a full complement of public services including the following:

- Animal control and shelter
- Voter registration and county and city elections
- Judicial and court services
- Parks & recreation services
- Community development services including zoning, building permits, building inspections, and code enforcement.
- 911 and emergency management services
- Emergency medical services
- Law enforcement, jail, and prison services
- Road, bridge, and right-of-way maintenance
- Tax assessments and collections
- Airport services
- Solid waste collection, transportation, and disposal
- Water treatment and distribution

In addition, the county provides financial assistance to numerous agencies that perform public services for the county including but not limited to:

- Fire protection services through volunteer fire departments
- Public, environment, and mental health services
- Family and children services
- Senior citizens services
- Library services
- Economic development services

Harris County Local Financial Condition

The overall local Harris County economy continues to be relatively stable and is seeing a slight improvement as compared to previous years. The construction of single-family homes has increased from 166 during FY 2016-17 to 220 during FY 2017-18, an increase of 32.5%. Solid waste tonnage collections have increased from 13,349 tons during FY 2016-17 to 14,049 tons during FY 2017-18, an increase of 5.2% which is indicative of economic growth. The county's unemployment rate at the beginning of the audit period was 4.7% as compared to the state at 4.6% and the county's unemployment rate significantly decreased to 3.0% at the end of the audit period as compared to the state at 4.1%.

The county has also seen an increase in the total value of the tax digest for the first time since 2009 from \$1,223,323,808 in 2016 to \$1,273,766,678 in 2017, an increase of 4.1%. The county increased its millage rate for the first time since 2008 from 6.14 mills to 8.64 mills in 2017 to generate about \$3.47 million in additional property taxes to fund needed public services. The net taxes levied increased from \$7,463,561 in 2016 to \$10,938,674 in 2017, an increase of 46.5%. Local Option Sales Tax (LOST) is slightly increasing each year but remaining steady at about \$1,800,000 per year. Special Purpose Local Option Sales Tax (SPLOST) is also slightly increasing each year but remaining steady at about \$2,400,000 per year. The transportation SPLOST (TSPLOST) is also slightly increasing each year but remaining steady at about \$950,000 per year. TSPLOST collections will end December 31, 2022. The sales tax collections are indicative of a rural economy with minimal commercial and retail establishments.

The Harris County Chamber of Commerce keeps promoting the county to increase its presence and the Development Authority continues to recruit new businesses and industrial prospects by showcasing the county's accessible location, moderate climate, skilled workforce, availability of land and utilities in the Northwest Harris Business Park and Hamilton Business Park, and offering business incentives. Daesol Materials, a Kia automobile supplier, completed their new industrial facility and are already looking to expand.

During the audit period, the county has embarked and completed many public projects including improvements to many county facilities and infrastructure, replaced county rolling stock, installed a new state-of-the-art NextGen 911 system, prepared a five-year Capital Improvement Plan, completed the \$5.2M library construction project using SPLOST funds, state funds, general funds and donations, updated its fee schedules, and began to update its Comprehensive Master Plan as required by state law.

Lastly, the county voters approved a SPLOST renewal during May 2018 to continue the one cent sales tax for an additional six years to raise \$15.3M. The new SPLOST will go into effect on April 1, 2019 and continue until March 31, 2025. The voter approved projects include public safety vehicles and equipment, community center debt payments, renovations to the historic courthouse, old library, and community development building, economic development and broadband, public works facility, road and bridge improvements, rails to trails project, and many city projects.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Finance Officer at 706-628-4958 or stop by the County Courthouse Annex in Hamilton, Georgia, 31811.

Harris County, Georgia
Statement of Net Position
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	\$ 6,920,322	\$ 1,965,475	\$ 8,885,797	\$ 1,032,775
Restricted cash	226,720	752,513	979,233	-
Investments	5,247,343	6,879,488	12,126,831	-
Receivables:				
Accounts	124,196	516,121	640,317	-
Interest	590	990	1,580	-
Property taxes	183,280	-	183,280	-
TAVT	178,983	-	178,983	-
Sales taxes	471,294	-	471,294	-
Intergovernmental	173,893	1,308	175,201	22,110
Notes	1,087,820	-	1,087,820	-
Interfund	788,068	(788,068)	-	-
Component unit	15	-	15	-
Inventory	187,597	227,972	415,569	-
Prepaid items	227,651	45,163	272,814	-
Total Current Assets	15,817,772	9,600,962	25,418,734	1,054,885
Non-current Assets				
Notes receivable (net of current portion)	37,263	-	37,263	-
Capital assets (Note 3E)				
Nondepreciable	15,386,792	6,510,786	21,897,578	526,698
Depreciable, net	35,411,078	24,580,326	59,991,404	4,451,883
Total Non-current Assets	50,835,133	31,091,112	81,926,245	4,978,581
Total Assets	66,652,905	40,692,074	107,344,979	6,033,466
Deferred Outflows of Resources (Note 3-F)	1,476,723	275,238	1,751,961	105,047
Total Assets and Deferred Outflows of Resources	68,129,628	40,967,312	109,096,940	6,138,513
Liabilities				
Current Liabilities				
Accounts payable	922,289	335,825	1,258,114	-
Retainage payable	103,137	14,862	117,999	-
Accrued expenses payable	654,864	75,682	730,546	18,940
Accrued interest payable	163,949	11,898	175,847	-
Customer deposits payable	-	457,629	457,629	-
Due to component unit	-	-	-	15
Compensated absences payable	248,482	57,812	306,294	2,238
Closure and postclosure care liability	-	26,660	26,660	-
GEFA loan payable	112,858	120,403	233,261	-
Revenue bonds payable	280,000	485,000	765,000	-
Capital lease payable	101,985	29,098	131,083	-
Total Current Liabilities	2,587,564	1,614,869	4,202,433	21,193
Long-Term Liabilities (Note 3H) (net of current portion)				
Compensated absences payable	62,119	14,453	76,572	20,138
Closure and postclosure care liability	-	175,690	175,690	-
Net other postemployment benefits liability	-	-	-	371,559
Net pension liability	2,844,884	581,642	3,426,526	431,598
GEFA loan payable	975,451	2,409,639	3,385,090	-
Capital leases payable	49,049	9,478	58,527	-
Revenue bonds payable	11,508,142	5,125,015	16,633,157	-
Total Long-Term Liabilities	15,439,645	8,315,917	23,755,562	823,295
Deferred Inflows of Resources (Note 3-F)	854,692	138,328	993,020	116,321
Total Liabilities and Deferred Inflows of Resources	18,881,901	10,069,114	28,951,015	960,809
Net Position				
Net investment in capital assets (Note 3J)	37,770,385	22,912,479	60,682,864	4,978,581
Restricted for:				
Capital projects	3,662,938	-	3,662,938	-
Debt service	246,292	294,814	541,106	-
Specific health program	-	-	-	444,739
Public safety	132,088	-	132,088	-
Law library	66,463	-	66,463	-
Unrestricted (deficit)	7,369,561	7,690,905	15,060,466	(245,616)
Total Net Position	\$ 49,247,727	\$ 30,898,198	\$ 80,145,925	\$ 5,177,704

See accompanying notes to the basic financial statements

Harris County, Georgia
Statement of Activities
For the Year Ended June 30, 2018

Function/Program	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services and Fines	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 3,705,263	\$ 908,782	\$ 2,565	\$ -	\$ (2,793,916)	\$ -	\$ (2,793,916)	\$ -
Judicial	1,516,684	3,173	-	-	(1,513,511)	-	(1,513,511)	-
Public safety	12,633,624	3,505,406	37,908	-	(9,090,310)	-	(9,090,310)	-
Public works	5,620,461	130,520	-	920,163	(4,569,778)	-	(4,569,778)	-
Health and welfare	278,598	12,000	-	-	(266,598)	-	(266,598)	-
Culture and recreation	1,789,085	90,488	-	2,078,530	379,933	-	379,933	-
Housing and development	447,688	310,372	-	-	(137,316)	-	(137,316)	-
Interest	704,176	-	-	-	(704,176)	-	(704,176)	-
Total Governmental Activities	26,695,579	4,960,741	40,473	2,998,693	(18,695,672)	-	(18,695,672)	-
Business-type Activities								
Water works	4,639,071	4,879,154	-	-	-	240,083	240,083	-
Solid waste	1,615,078	2,084,264	-	-	-	469,186	469,186	-
Airport	686,052	342,075	-	51,578	-	(292,399)	(292,399)	-
Total Business-type Activities	6,940,201	7,305,493	-	51,578	-	416,870	416,870	-
Total Primary Government	\$ 33,635,780	\$ 12,266,234	\$ 40,473	\$ 3,050,271	(18,695,672)	416,870	(18,278,802)	-
Component Units								
Department of Public Health	488,528	348,283	463,721	-	-	-	-	323,476
Development Authority	278,762	-	150,000	265,249	-	-	-	136,487
Total - Component Units	\$ 767,290	\$ 348,283	\$ 613,721	\$ 265,249	-	-	-	459,963
General Revenues								
Property taxes levied for general government purposes					12,535,516	-	12,535,516	-
Sales taxes					5,357,117	-	5,357,117	-
Insurance premium tax					1,659,374	-	1,659,374	-
Other taxes					421,164	-	421,164	-
Unrestricted investment earnings					47,987	51,560	99,547	-
Miscellaneous					56,298	-	56,298	-
Total General Revenues					20,077,456	51,560	20,129,016	-
Change in Net Position					1,381,784	468,430	1,850,214	459,963
Net Position Beginning of Year					47,865,943	30,429,768	78,295,711	4,717,741
Net Position End of Year					\$ 49,247,727	\$ 30,898,198	\$ 80,145,925	\$ 5,177,704

Harris County, Georgia
Balance Sheet
Governmental Funds
June 30, 2018
(With Comparative Totals at June 30, 2017)

	2018					2017	
	General	2014 SPLOST	Callaway Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 2,441,266	\$ 1,658,427	\$ 24,560	\$ 273,009	\$ 2,523,060	\$ 6,920,322	\$ 11,312,106
Investments	5,027,358	219,985	-	-	-	5,247,343	1,203,365
Restricted cash	-	4,988	-	-	221,732	226,720	1,781,731
Receivables:							
Accounts	-	1,799	-	-	122,397	124,196	123,666
Property taxes	183,280	-	-	-	-	183,280	171,629
TAVT	178,983	-	-	-	-	178,983	136,750
Sales taxes	163,667	223,894	-	-	83,733	471,294	491,395
Interest	-	135	-	-	455	590	2,834
Intergovernmental	108,091	-	-	-	10,467	118,558	849,881
Notes	-	-	1,069,748	-	2,950	1,072,698	1,179,825
Interfund	1,164,165	-	-	221,952	-	1,386,117	3,587,265
Component units	15	-	-	-	-	15	15
Inventory	187,597	-	-	-	-	187,597	244,982
Prepaid items	214,468	-	-	-	13,183	227,651	202,845
Total Assets	<u>\$ 9,668,890</u>	<u>\$ 2,109,228</u>	<u>\$ 1,094,308</u>	<u>\$ 494,961</u>	<u>\$ 2,977,977</u>	<u>\$ 16,345,364</u>	<u>\$ 21,288,289</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 309,367	\$ 91,986	\$ -	\$ 494,961	\$ 25,975	\$ 922,289	\$ 1,325,098
Accrued expenditures payable	633,068	-	-	-	21,796	654,864	593,168
Retainage payable	-	17,248	-	-	85,889	103,137	121,397
Interfund payable	-	-	-	-	598,049	598,049	1,128,735
Unearned revenue	-	-	1,069,748	-	-	1,069,748	1,179,825
Total Liabilities	<u>942,435</u>	<u>109,234</u>	<u>1,069,748</u>	<u>494,961</u>	<u>731,709</u>	<u>3,348,087</u>	<u>4,348,223</u>
Deferred Inflows of Resources	<u>104,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,821</u>	<u>60,619</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,047,256</u>	<u>109,234</u>	<u>1,069,748</u>	<u>494,961</u>	<u>731,709</u>	<u>3,452,908</u>	<u>4,408,842</u>
Fund Balances							
Nonspendable	402,065	-	-	-	-	402,065	436,369
Restricted	-	1,999,994	24,560	-	2,030,842	4,055,396	9,347,462
Committed	307,288	-	-	-	-	307,288	307,288
Assigned	527,133	-	-	-	215,426	742,559	1,880,254
Unassigned	7,385,148	-	-	-	-	7,385,148	4,908,074
Total Fund Balances	<u>8,621,634</u>	<u>1,999,994</u>	<u>24,560</u>	<u>-</u>	<u>2,246,268</u>	<u>12,892,456</u>	<u>16,879,447</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 9,668,890</u>	<u>\$ 2,109,228</u>	<u>\$ 1,094,308</u>	<u>\$ 494,961</u>	<u>\$ 2,977,977</u>	<u>\$ 16,345,364</u>	<u>\$ 21,288,289</u>

See accompanying notes to the basic financial statements

Harris County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2018

Total Governmental Fund Balances	\$	12,892,456
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**Amounts reported for governmental activities in the
Statement of Net Position are different because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Cost of capital assets	\$	94,179,174	
Less accumulated depreciation		(43,381,304)	50,797,870

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Property taxes			104,821
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Long-term note receivable not available to pay current expenditures.		1,177,468
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Deferred outflows and inflows for pensions reported on the government-wide Statement of Net Position not reported on the governmental fund balance sheet.		622,031
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Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide Statement of Net Position.

Revenue bonds payable	\$	(11,788,142)	
GEFA loan payable		(1,088,309)	
Capital leases payable		(151,034)	
Net pension liability payable		(2,844,884)	
Accrued interest payable		(163,949)	
Compensated absences payable		(310,601)	(16,346,919)

Net Position of Governmental Activities	\$	49,247,727
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See accompanying notes to the basic financial statements

Harris County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018
(With Comparative Totals For the Year Ended June 30, 2017)

	2018					2017	
	General	2014 SPLOST	Callaway Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 16,316,555	\$ 2,536,820	\$ -	\$ -	\$ 1,023,209	\$ 19,876,584	\$ 15,754,354
Intergovernmental	960,571	-	-	1,236,082	50,928	2,247,581	1,969,529
Licenses and permits	305,982	-	-	-	-	305,982	243,911
Charges for services	2,797,819	-	110,076	-	627,679	3,535,574	3,438,410
Interest	-	-	33,881	-	218,736	252,617	253,087
Fines and forfeitures	835,888	-	-	-	86,365	922,253	960,792
Investment earnings	40,106	5,434	-	-	2,447	47,987	13,317
Contributions and donations	65	-	-	842,448	-	842,513	25,000
Miscellaneous	59,759	-	-	-	-	59,759	41,284
Total Revenues	21,316,745	2,542,254	143,957	2,078,530	2,009,364	28,090,850	22,699,684
Expenditures							
Current:							
General government	3,453,445	-	-	-	-	3,453,445	5,245,619
Judicial	1,504,985	-	-	-	11,299	1,516,284	1,345,986
Public safety	10,283,496	-	-	-	1,228,265	11,511,761	9,104,475
Public works	3,604,295	-	-	-	-	3,604,295	1,606,891
Health and welfare	278,008	-	-	-	590	278,598	287,450
Culture and recreation	1,071,921	-	-	-	-	1,071,921	966,863
Housing and development	403,219	-	-	-	44,314	447,533	602,957
Intergovernmental	-	885,176	-	-	-	885,176	2,365,853
Capital Outlay	-	3,294,472	-	3,215,649	1,604,096	8,114,217	3,324,005
Debt Service:							
Principal retirement	98,717	-	109,526	-	360,250	568,493	558,803
Interest and fiscal charges	185,182	-	34,431	-	402,880	622,493	581,727
Trustee Fee	-	-	-	-	3,625	3,625	3,625
Total Expenditures	20,883,268	4,179,648	143,957	3,215,649	3,655,319	32,077,841	25,994,254
Excess (Deficiency) of Revenues Over (Under) Expenditures	433,477	(1,637,394)	-	(1,137,119)	(1,645,955)	(3,986,991)	(3,294,570)
Other Financing Sources (Uses)							
Transfers in	679,624	-	-	221,951	822,199	1,723,774	2,573,360
Transfers out	(1,044,150)	-	-	-	(679,624)	(1,723,774)	(2,649,718)
Total Other Financing Sources (Uses)	(364,526)	-	-	221,951	142,575	-	(76,358)
Net Change in Fund Balances	68,951	(1,637,394)	-	(915,168)	(1,503,380)	(3,986,991)	(3,370,928)
Fund Balances Beginning of Year	8,552,683	3,637,388	24,560	915,168	3,749,648	16,879,447	20,250,375
Fund Balances End of Year	\$ 8,621,634	\$ 1,999,994	\$ 24,560	\$ -	\$ 2,246,268	\$ 12,892,456	\$ 16,879,447

See accompanying notes to the basic financial statements

Harris County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended June 30, 2018

Net Changes In Fund Balances - Total Governmental Funds	\$ (3,986,991)
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**Amounts reported for governmental activities in the
Statement of Activities are different because**

Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (2,561,131)	
Capital outlay	<u>7,501,821</u>	4,940,690

Governmental funds report pension contributions as expenditures, however, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions.

(28,578)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.

Property taxes:		
Deferred @ 6/30/18	\$ 104,821	
Deferred @ 6/30/17	<u>(60,619)</u>	44,202

Hotel/Motel taxes:		
Delinquent @ 6/30/18		52,385

Payments of principal on long-term debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.	(110,070)
--	-----------

The amortization of the bond discount and debt issuance costs are reported in the government-wide Statement of Activities, but does not require the use of financial resources and therefore is not reported as expenditures in governmental funds.

(78,058)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

568,493

Compensated absences reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Liability @ 6/30/18	\$ (310,601)	
Liability @ 6/30/17	<u>290,312</u>	(20,289)

Change In Net Position of Governmental Activities	<u><u>\$ 1,381,784</u></u>
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See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Net Position
June 30, 2018

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 1,196,678	\$ 768,797	\$ -	\$ 1,965,475
Restricted cash	752,513	-	-	752,513
Investments	2,494,776	4,384,712	-	6,879,488
Receivables:				
Accounts	460,309	45,721	10,091	516,121
Interest	990	-	-	990
Interfund	2,100	275,100	-	277,200
Intergovernmental	-	1,308	-	1,308
Prepaid items	35,091	9,588	484	45,163
Inventories	191,927	-	36,045	227,972
Total Current Assets	5,134,384	5,485,226	46,620	10,666,230
Capital Assets				
Nondepreciable	5,743,625	199,250	567,911	6,510,786
Depreciable, net	16,157,766	1,015,442	7,407,118	24,580,326
Total Capital Assets	21,901,391	1,214,692	7,975,029	31,091,112
Deferred Outflows of Resources (Note 3-D)	225,846	43,377	6,015	275,238
Total Assets and Deferred Outflows of Resources	27,261,621	6,743,295	8,027,664	42,032,580
Liabilities				
Current Liabilities:				
Accounts payable	91,540	35,290	208,995	335,825
Retainage payable	-	-	14,862	14,862
Accrued expenses payable	56,963	16,194	2,525	75,682
Accrued interest payable	11,898	-	-	11,898
Customer deposits payable	457,629	-	-	457,629
Interfund payable	-	-	1,065,268	1,065,268
Compensated absences payable	44,195	12,436	1,181	57,812
Closure and postclosure care payable	-	26,660	-	26,660
Revenue bonds payable	485,000	-	-	485,000
GEFA loans payable	120,403	-	-	120,403
Capital leases payable	-	29,098	-	29,098
Total Current Liabilities	1,267,628	119,678	1,292,831	2,680,137
Long-term Liabilities (Net of current portion):				
Compensated absences payable	11,049	3,109	295	14,453
Closure and postclosure care payable	-	175,690	-	175,690
Revenue bonds payable	5,125,015	-	-	5,125,015
GEFA loans payable	2,409,639	-	-	2,409,639
Capital leases payable	-	9,478	-	9,478
Net pension liability	407,874	161,456	12,312	581,642
Total Long-term Liabilities:	7,953,577	349,733	12,607	8,315,917
Total Liabilities	9,221,205	469,411	1,305,438	10,996,054
Deferred Inflows of Resources (Note 3-D)	95,926	37,238	5,164	138,328
Total Liabilities and Deferred Inflows of Resources	9,317,131	506,649	1,310,602	11,134,382
Net Position				
Net investment in capital assets	13,761,334	1,176,116	7,975,029	22,912,479
Restricted for debt service	294,814	-	-	294,814
Unrestricted	3,888,342	5,060,530	(1,257,967)	7,690,905
Total Net Position	\$ 17,944,490	\$ 6,236,646	\$ 6,717,062	\$ 30,898,198

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2018

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Operating Revenues				
Charges for services	\$ 4,879,154	\$ 2,052,709	\$ 342,075	\$ 7,273,938
Intergovernmental revenue	-	5,248	-	5,248
Miscellaneous revenue	-	26,307	-	26,307
Total Operating Revenues	4,879,154	2,084,264	342,075	7,305,493
Operating Expenses				
Personal services	1,646,384	585,974	81,214	2,313,572
Purchased services	1,315,644	164,039	63,417	1,543,100
Purchased services - tipping fees	-	432,427	-	432,427
Cost of sales	-	-	234,071	234,071
Materials and supplies	604,229	160,799	22,799	787,827
Depreciation	756,905	267,423	284,551	1,308,879
Total Operating Expenses	4,323,162	1,610,662	686,052	6,619,876
Operating Income (Loss)	555,992	473,602	(343,977)	685,617
Non-operating Revenue (Expenses)				
Investment earnings	9,935	41,625	-	51,560
Interest and fiscal charges	(315,909)	(4,416)	-	(320,325)
Total Non-operating Revenue (Expenses)	(305,974)	37,209	-	(268,765)
Income (Loss) Before Capital Contributions and Transfers In	250,018	510,811	(343,977)	416,852
Capital Contributions	-	-	51,578	51,578
Change in Net Position	250,018	510,811	(292,399)	468,430
Net Position Beginning of Year	17,694,472	5,725,835	7,009,461	30,429,768
Net Position End of Year	\$ 17,944,490	\$ 6,236,646	\$ 6,717,062	\$ 30,898,198

See accompanying notes to the basic financial statements

Harris County, Georgia
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2018

	Business-type Activities			
	Water Works	Solid Waste	Airport	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash received from customers	\$ 4,906,786	\$ 2,052,709	\$ 342,075	\$ 7,301,570
Cash payments for personal services	(1,637,540)	(666,546)	(82,063)	(2,386,149)
Cash payments for goods and services	(1,868,950)	(695,386)	(184,925)	(2,749,261)
Net Cash Provided by (Used in) Operating Activities	1,400,296	690,777	75,087	2,166,160
Cash Flows from Noncapital Financing Activities				
Accounts receivable	-	-	(10,091)	(10,091)
Intergovernmental receivable	-	-	92,675	92,675
Interfund payable	(43,727)	(1,816,372)	189,638	(1,670,461)
Net Cash Flows from Noncapital Financing Activities	(43,727)	(1,816,372)	272,222	(1,587,877)
Cash Flows from Capital and Related Financing Activities				
Principal paid on GEFA loans	(15,694)	-	-	(15,694)
Principal paid on revenue bonds	(470,000)	-	-	(470,000)
Interest paid on capital debt	(240,058)	(204,456)	-	(444,514)
Interest paid on notes	-	(4,416)	-	(4,416)
Acquisition of capital assets	(459,820)	(420,109)	(398,887)	(1,278,816)
Capital grants	-	-	51,578	51,578
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,185,572)	(628,981)	(347,309)	(2,161,862)
Cash Flows from Investing Activities				
Investment earnings	9,834	43,517	-	53,351
Net Increase (Decrease) in Cash and Cash Equivalents	180,831	(1,711,059)	-	(1,530,228)
Cash and Cash Equivalents Beginning of Year	4,263,136	6,864,568	-	11,127,704
Cash and Cash Equivalents End of Year	\$ 4,443,967	\$ 5,153,509	\$ -	\$ 9,597,476
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 555,992	\$ 473,602	\$ (343,977)	\$ 685,617
Adjustments:				
Depreciation	756,905	267,423	284,551	1,308,879
(Increase) Decrease in Assets:				
Accounts receivable	16,322	(5,588)	-	10,734
Prepaid items	(12,712)	571	111	(12,030)
Inventories	(16,773)	-	(17,793)	(34,566)
Increase (Decrease) in Liabilities:				
Accounts payable	80,408	(34,181)	208,161	254,388
Retainage payable	-	-	(54,428)	(54,428)
Accrued expenses payable	5,558	(182)	497	5,873
Customer deposits payable	11,310	-	-	11,310
Compensated absences payable	3,286	(500)	(849)	1,937
Other	-	(10,368)	(1,186)	(11,554)
Net Cash Provided by (Used in) Operating Activities	\$ 1,400,296	\$ 690,777	\$ 75,087	\$ 2,166,160

Harris County, Georgia
Comparative Statement of Fiduciary Assets and Liabilities
Fiduciary Funds - Agency Funds
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 1,411,293	\$ 1,086,613
Due from others	<u>319,452</u>	<u>315,127</u>
Total Assets	<u><u>\$ 1,730,745</u></u>	<u><u>\$ 1,401,740</u></u>
Liabilities		
Due to others	<u><u>\$ 1,730,745</u></u>	<u><u>\$ 1,401,740</u></u>

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2018

	Department of Public Health	Development Authority	Total
Assets			
Current:			
Cash and cash equivalents	\$ 967,337	\$ 65,438	\$ 1,032,775
Receivables:			
Intergovernmental	22,110	-	22,110
Total Current	989,447	65,438	1,054,885
Noncurrent :			
Capital assets:			
Nondepreciable capital assets	-	526,698	526,698
Depreciable capital assets, net	9,701	4,442,182	4,451,883
Total Noncurrent	9,701	4,968,880	4,978,581
Total Assets	999,148	5,034,318	6,033,466
Deferred Outflows of Resources	105,047	-	105,047
Total Assets and Deferred Outflows of Resources	1,104,195	5,034,318	6,138,513
Liabilities			
Current Liabilities:			
Compensated absences payable	2,238	-	2,238
Intergovernmental payable	18,940	-	18,940
Due to component unit	-	15	15
Total Current Liabilities:	21,178	15	21,193
Long-term Liabilities: (net of current portion)			
Compensated absences payable	20,138	-	20,138
Net OPEB liability	371,559	-	371,559
Net pension liability	431,598	-	431,598
Total Liabilities	844,473	-	823,295
Deferred Inflows of Resources	116,321	-	116,321
Total Liabilities and Deferred Inflows of Resources	960,794	15	960,809
Net Position			
Net investment in capital assets	9,701	4,968,880	4,978,581
Restricted for:			
Specific health program	444,739	-	444,739
Unrestricted (deficit)	(311,039)	65,423	(245,616)
Total Net Position	\$ 143,401	\$ 5,034,303	\$ 5,177,704

See accompanying notes to the basic financial statements

Harris County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2018

	Department of Public Health	Development Authority	Total
Expenses			
Health and welfare	\$ 488,528	\$ -	\$ 488,528
Community development	-	2,610	2,610
Economic development	-	276,152	276,152
Total Expenses	488,528	278,762	767,290
Revenues			
Program revenues:			
Charges for services	348,283	-	348,283
Operating grants and contributions	463,721	150,000	613,721
Total Program Revenues	812,004	150,000	962,004
Net Program Revenue (Expense)	323,476	(128,762)	194,714
Capital Contributions	-	265,249	265,249
Change in Net Position	323,476	136,487	459,963
Net Position Beginning of Year	(180,075)	4,897,816	4,717,741
Net Position End of Year	\$ 143,401	\$ 5,034,303	\$ 5,177,704

See accompanying notes to the basic financial statements

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Harris County, Georgia (the County) is a political subdivision of the State of Georgia and was formed in 1825. The County operates under a Commission-Manager form of government and is governed by a five member elected board of county commissioners, elected from single-member districts. The Board's powers are vested by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, health and welfare, culture and recreation and housing and development.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the constitutionally elected officers.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

The following is a brief description of the blended component unit:

Harris County Public Improvement Authority (the HCPIA) – The governing board is appointed by the Harris County Board of Commissioners. The main purpose of the HCPIA is to provide basic infrastructure and recreational facilities, improvements and services to the citizens of the County in order to promote the growth and development of the County and the general welfare of the citizens. The HCPIA is reported as a capital project fund. The HCPIA does not issue separate financial statements.

Brief descriptions of the discretely presented component units follow:

Harris County Health Department (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's Board consists of seven members, four of these members are appointed by the County Commission.

Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. The Health Department is reported on a June 30, 2018 fiscal year. Complete financial statements for the Health Department may be obtained from its administrative office at 210 Forest Hill Drive, Hamilton, Georgia 31811 or by calling 706-628-5375.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

A County Board of Health should be reported as a discretely presented component unit in the county's financial statements because the entity is legally separate, the primary government appoints a voting majority of the entity's board, the primary government is able to impose its will on the entity, the entity does not provide services entirely or almost entirely to the primary government, and in most cases, the entity and the primary government do not have boards that are substantively the same.

Harris County Development Authority (the "Authority") is responsible for promoting industrial and commercial development within Harris County. The Authority is considered a component unit of the primary government based on the aforementioned criteria. Specifically, a voting majority of the Authority is appointed by the Board, and it can impose its will on the Authority. There are no separately issued financial statements available for the Authority.

The County has partnered with the Authority with the development of the Northwest Harris Business Park (the "Business Park"). The County purchased land for the Business Park during 2005 and 2007. Pursuant to an intergovernmental agreement between the County and the Authority, once a business moves into the Business Park, subject to certain stipulations, the County will transfer the land to the Authority for development and subsequent sale of the property with proceeds being remitted to the County.

The Authority has continued construction on the Progress Parkway project. The purpose of this project is to construct a road in the Business Park. Construction began during the fiscal year ended June 30, 2009. During the following years, the Authority has continued construction of the road with funding provided by the County's 2009 and 2014 SPLOST funds, grant funding and existing Authority funds. Funding provided by the County and grant funding is shown as a capital contribution to the Authority in the government-wide financial statements. Costs of the road are included in the Authority's capital asset listing as land improvements at June 30, 2018.

During 2009, a building was constructed for Johnson Controls, Inc. (JCI) for a total cost of approximately \$7.06 million. The purpose of the JCI project was to assist in the location of the manufacturing company in the Business Park. The building was funded by bonds issued by the Authority, County funds, and grant revenue. The building was then leased to JCI.

During 2010, the County, in agreement with JCI, issued bonds in the amount of \$5.5 million to expand the building. The agreement required JCI to lease the building from the County at a rate necessary to service both the 2008 and 2010 bond issues and to purchase the building at the end of the lease term. The lease was accounted for as a sales-type lease with a receivable established to account for the future payments. During 2016, JCI (now d.b.a. Hoover) prepaid the bonds in their entirety subsequently releasing the debt and associated receivable (Note 3-B).

Related Organizations – The following are related organizations for which the County appoints one or more of the Board of Directors but they do not meet any other of the reporting entity criteria:

- Harris County Board of Education
- Harris County Board of Family and Children's Service
- The Cattlemen's Association

Joint Ventures – The County participates in the following joint venture.

River Valley Regional Commission (RVRC) - The County, in conjunction with sixteen counties and thirty-five municipalities in the west central Georgia area are members of the RVRC. Membership in an RVRC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RVRC. Each county and municipality in the state is required by law to pay minimum annual dues to the RVRC. The RVRC Board membership includes the chief elected official of each county and the chief elected official of each municipality. Separately issued financial statements are available at the RVRC's administrative office, 710 Front Avenue, Suite A, Columbus, GA 31901.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RVRCs as "public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RVRC beyond its resources (O.C.G.A. 50-8-39.1).

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary funds are not presented in the government-wide financial statements.

The statement of net position presents the financial position of the governmental activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental funds are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

2014 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax beginning April 1, 2014 for funding various capital outlay projects including road, street and bridge projects, a library, fire trucks, public safety equipment and construction of a CAD system, expansion of the water system, development of an agri-center and economic development projects.

Capital Projects Fund – This fund is used to account for various types of financial revenue resources which are utilized in the acquiring or constructing of capital facilities.

Callaway Debt Service Fund – This fund is used to service a Georgia Environmental Facilities Authority loan from the Clean Water State Revolving Fund for Land Conservation, whose proceeds were used to finance the acquisition of a land conservation easement.

Proprietary Funds – The proprietary funds reporting focus is on the determination of operating income, changes in net position, financial position and cash flows. All three of the proprietary funds are classified as enterprise funds.

The County reports the following major enterprise funds:

Water Works. This fund accounts for the operation and maintenance of the County's water distribution system.

Solid Waste. This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

Airport. This fund accounts for the operation, maintenance, and development of the County's Airport.

Fiduciary Funds – Fiduciary fund reporting focuses on assets and liabilities. The County's fiduciary funds are agency funds for use primarily by the County's constitutional officers comprised of the Tax Commissioner, Clerk of Superior Court, Sheriff, Probate Court and Magistrate Court.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Fiduciary funds are reported on the accrual basis at the fund reporting level. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-D). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise taxes, charges for services, federal and state grants and investment earnings.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for:

- Grants and entitlements received before the eligibility requirements are met (e.g., cash advances).

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Time deposits are classified as cash and cash equivalent without regard to maturity date.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental activities column of the statement of net position.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (i.e., the consumption method). At year-end, fund balance is classified as nonexpendable for a like amount of inventory on hand since it is not available for general appropriation.

The inventory consists primarily of vehicle parts and fuel.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as nonexpendable since it is not available for general appropriation.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-6 Restricted Assets

Certain items are classified as restricted in the general fund because their use is legally restricted to a specific use, some of which is deposited with bank trust funds.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County's infrastructure consists of roads and bridges. The County's infrastructure has been reported retroactively in 2007. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives using these capitalization thresholds:

Asset Class	Governmental Activities Estimated Lives	Capitalization Threshold
Primary Government:		
Buildings and improvements	40 Years	\$5,000
Machinery and equipment	3 - 20 Years	\$5,000
Infrastructure	20 - 30 Years	\$100,000
Machinery and equipment	5 - 7 Years	\$5,000

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only “when due.”

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Notes are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance - Fund balances may be classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County Board of Commissioners or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Board of Commissioners through a motion. The fund balance must result from a specific revenue stream committed for a specific purpose. Only the Board of County Commissioners may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the Board of County Commissioners’ intent to be used for specific purposes, but are neither restricted nor committed. By motion, only the Board of County Commissioners can authorize an assignment of fund balances. Also, any of the fund balance reported at year-end that is included in the subsequent year’s budget is reported as assigned.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the County has established a flow assumption policy. It is the County’s policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the County’s policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the County’s policy to use fund balance in the following order:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

- Committed
- Assigned
- Unassigned

Net Position - Net position represent the difference between assets and liabilities. The net invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment amount also is adjusted by any bond issuance deferral amounts. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-11 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise and internal service funds. For the County, these revenues are charges for services for water works, waste collection and airport services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. Nonoperating revenues are investment earnings, the gain on the disposition of capital assets and operating grants. Nonoperating expenses include the loss on the disposition of capital assets and interest expense.

1-E-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated.

1-E-13 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-14 Comparative Data

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-E-15 Implementation of New GASB Standards

In fiscal year 2018, the County implemented the following GASB Standards:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve reporting concerning postemployment benefits other than pensions ("OPEB") and improve the information provided about financial support for OPEB. The County does not have OPEB, and as such, no related disclosures are included, however the Harris County Health Department, a discretely presented component unit of the County does have OPEB, and this information is disclosed in its separately issued financial statements which can be obtained as discussed in Note 1-A.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budget resolution reflects the total of each department's appropriation in each fund.

Budgets are adopted on a basis consistent with GAAP with the exception of the capital projects funds, which have project length budgets, rather than annual budgets. For management purposes, the County adopts annual budgets for its enterprise fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of County Commissioners. The Board of County Commissioners also must approve budget transfers within departments.

The original 2018 budget was amended during the year. Most unexpended annual appropriations lapse at year-end. However, encumbered appropriations may be carried forward automatically (i.e., no County Commission action is required), to resolve unusual situations or hardships caused by this policy (i.e., for large equipment orders not received by June 30). Departments desiring the carryover of appropriations shall make their request in writing to the County Manager for approval.

2-B. Excess of Expenditures over Appropriations

The following departments overspent the final amended 2018 annual budget:

General Fund	
Debt service - interest	177,737
Other Governmental Funds	
Law library – judicial	1,399

Expenditures in excess of budgeted amounts were offset by revenues in excess of budgeted amounts. Unbudgeted debt service – interest in the general fund was due to expenditures approved by the board of commissioners to refinance debt related to the Harris County Community Center, but no budget amendment was made.

Note 3 - Detailed Notes on All Funds

3-A. Deposits

Deposits – The County's cash and investment policy limits deposits to demand and money market accounts, and time deposits at local banks. The County's deposits shall be secured by Federal Deposit Insurance Corporation (FDIC) coverage and/or bank pledges. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held, less the FDIC insurance.

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be recovered.

As of June 30, 2018, all of the County's deposits were covered, either by FDIC coverage or collateralized with securities held by the County's agent in the County's name.

Also, the Harris County Health Department's deposits were covered either by FDIC coverage or were entirely insured or collateralized with securities held by the component unit's agent in the component unit's name.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Primary government cash and cash equivalents reconciliation:

	<u>Cash and Cash Equivalents</u>
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 6,920,322
Governmental Funds - Balance Sheet - Restricted	226,720
Proprietary Fund Type Statement of Net Position	1,965,475
Proprietary Fund Type Statement of Net Position - Restricted	752,513
Statement of Fiduciary Assets and Liabilities	<u>1,411,293</u>
Total	<u><u>\$ 11,276,323</u></u>

3-B. Receivables

Receivables at June 30, 2018, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Allowance for Uncollectibles - The allowances for uncollectibles are as follows:

	<u>2018</u>
• Water works fund	\$22,182

Note Receivables:

Note Receivable - Callaway Foundation - During the year ended June 30, 2009, the County, through an agreement, acquired a land conservation easement from the "Ida Cason Callaway Foundation" (the "Foundation"). In order to fund the acquisition, the Georgia Environmental Finance Authority ("GEFA"), provided a \$2,000,000 land conservation grant and a \$2,000,000 loan from the Clean Water State Revolving Fund for Land Conservation (see Note 3-H). *Note 3 - Detailed Notes on All Funds (Continued)*

Under the agreement between the County and the Foundation, the Foundation is repaying the loan as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	113,424	30,533	143,957
2020	116,841	27,115	143,956
2021	120,457	23,500	143,957
2022	124,092	19,865	143,957
2023	127,866	16,091	143,957
2024 - 2027	<u>467,068</u>	<u>24,914</u>	<u>491,982</u>
	<u>\$ 1,069,748</u>	<u>\$ 142,018</u>	<u>\$ 1,211,766</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Notel Receivable - Hotel/Motel Tax – The County entered into an agreement on May 17, 2018 for a note receivable for delinquent hotel/motel taxes owed by a local public lodging establishment in the amount of \$56,801.63. The agreement provides for 36 monthly installment payments of \$1,702.40 with interest accruing on the principal balance of the note at the rate of 5.0% per annum starting on June 5, 2018 and continuing until the maturity date of May 5, 2021.

Under the agreement between the County and the establishment, the establishment is repaying the note as follows:

Year	Principal	Interest	Total
2019	18,072	2,356	20,428
2020	18,997	1,432	20,429
2021	18,266	460	18,726
	<u>\$ 55,335</u>	<u>\$ 4,248</u>	<u>\$ 59,583</u>

3-C. Restricted Assets

Restricted assets reported in the governmental funds are comprised of the following:

2014 SPLOST fund - deposit with investment broker	4,988
PIA fund – construction and debt service	221,732

3-D. Property Taxes

The Board of Commissioners levy property taxes by or about September of each year. Property taxes attach as an enforceable lien on property as of January 1. The property taxes were levied on August 15, 2017. Property taxes were billed on September 29, 2017 and are due upon receipt, however, the due date was December 20, 2017 and became delinquent on December 21, 2017.

The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an agency fund.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2018, was as follows:

	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 15,077,803	\$ -	\$ -	\$ 15,077,803
Construction in progress	1,528,585	4,748,692	5,968,288	308,989
Total nondepreciable capital assets	16,606,388	4,748,692	5,968,288	15,386,792
Depreciable capital assets:				
Buildings and improvements	20,823,642	5,126,752	-	25,950,394
Machinery and equipment	21,263,059	2,742,444	224,676	23,780,827
Infrastructure	28,208,936	852,225	-	29,061,161
Total depreciable capital assets	70,295,637	8,721,421	224,676	78,792,382
Total capital assets	86,902,025	13,470,113	6,192,964	94,179,174
Accumulated depreciation:				
Buildings	6,899,620	560,603	-	7,460,223
Machinery and equipment	17,357,702	1,159,751	224,676	18,292,777
Infrastructure	16,787,527	840,777	-	17,628,304
Total accumulated depreciation	41,044,849	2,561,131	224,676	43,381,304
Governmental activities capital assets, net	<u>\$ 45,857,176</u>	<u>\$ 10,908,982</u>	<u>\$ 5,968,288</u>	<u>\$ 50,797,870</u>
Governmental activities depreciation expense				
General government		\$ 283,252		
Public safety		885,222		
Public works		1,103,247		
Culture and recreation		<u>289,410</u>		
Total governmental activities depreciation expense		<u>\$ 2,561,131</u>		

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018
Business-type activities:				
Nondepreciable capital assets:				
Land	\$ 693,751	\$ -	\$ -	\$ 693,751
Construction in progress	8,217,352	492,367	2,892,684	5,817,035
Total nondepreciable capital assets	8,911,103	492,367	2,892,684	6,510,786
Depreciable capital assets:				
Buildings and improvements	3,708,565	2,798,493	-	6,507,058
Machinery and equipment	6,827,889	660,733	122,310	7,366,312
Infrastructure	28,544,556	219,909	-	28,764,465
Total depreciable capital assets	39,081,010	3,679,135	122,310	42,637,835
Total capital assets	47,992,113	4,171,502	3,014,994	49,148,621
Accumulated depreciation:				
Buildings and improvements	384,356	262,452	-	646,808
Machinery and equipment	5,018,155	349,913	122,310	5,245,758
Infrastructure	11,468,429	696,514	-	12,164,943
Total accumulated depreciation	16,870,940	1,308,879	122,310	18,057,509
Business-type activities capital assets, net	\$ 31,121,173	\$ 2,862,623	\$ 2,892,684	\$ 31,091,112

The depreciation expense for the business-type activities relates to the water works fund, \$756,905, the solid waste fund \$267,423 and the airport fund, \$284,551.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for the Development Authority component unit for the year ended June 30, 2018, was as follows:

	Balance 7/1/2017	Additions	Deductions	Balance 6/30/2018
Harris County Development Authority				
Nondepreciable capital assets:				
Land	\$ 34,341	\$ -	\$ -	\$ 34,341
Construction in progress	4,783,192	265,249	4,556,084	492,357
Total nondepreciable capital assets	4,817,533	265,249	4,556,084	526,698
Depreciable capital assets:				
Infrastructure	-	4,556,084	-	4,556,084
Total depreciable capital assets	-	4,556,084	-	4,556,084
Accumulated depreciation:				
Infrastructure	-	113,902	-	113,902
Total accumulated depreciation	-	113,902	-	113,902
Development Authority capital assets, net	\$ -	\$ 4,442,182	\$ -	\$ 4,442,182

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Deferred Inflows/Outflows of Resources

Fund Financial Reporting Level - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County reports one of these items. This item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes (\$104,821). This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Government-wide Financial Reporting Level - The County also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and an advance refunding debt transaction that results in a defeasance of debt. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the County to the pension plan before fiscal year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

The following table includes the deferred inflows/outflows of resources at June 30, 2018:

Deferred Outflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred outflows related to pensions	\$ 995,591	\$ 161,131	\$ 1,156,722	\$ 62,841
Deferred outflows from refunding of debt	481,132	114,107	595,239	-
Deferred outflows related to OPEB	-	-	-	42,206
Total	<u>\$ 1,476,723</u>	<u>\$ 275,238</u>	<u>\$ 1,751,961</u>	<u>\$ 105,047</u>

Deferred Inflows of Resources	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total	
Deferred inflows related to pensions	\$ 854,692	\$ 138,328	\$ 993,020	\$ 42,205
Deferred inflows related to OPEB	-	-	-	74,116
Total	<u>\$ 854,692</u>	<u>\$ 138,328</u>	<u>\$ 993,020</u>	<u>\$ 116,321</u>

3-G. Interfund Balances and Transfers

Interfund Balances - Interfund balances at June 30, 2018, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The following table includes the interfund receivables and payables at June 30, 2018:

	Payable (to) / from						Total
	General	Capital projects	Nonmajor govern.	Water works	Solid waste	Airport	
Payable to / (from):							
General	\$ -	\$ (221,952)	\$ 598,049	\$ (2,100)	\$ (275,100)	\$ 1,065,268	\$ 1,164,165
Capital projects	221,952	-	-	-	-	-	221,952
Total	\$ 221,952	\$ (221,952)	\$ 598,049	\$ (2,100)	\$ (275,100)	\$ 1,065,268	\$ 1,386,117

The County expects to repay all interfund balances within one year.

Interfund Transfers - Interfund transfers for the year ended June 30, 2018, consisted of the following:

Transfers to	Transfers from		
	General	Nonmajor govern.	Total
General	\$ -	\$ 679,624	679,624
Capital projects	221,952	-	221,952
Non-major governmental	822,198	-	822,198
Total	\$ 1,044,150	\$ 679,624	\$ 1,723,774

The transfers from the general fund to the capital projects fund was for the library construction project. The transfer from the general fund to the non-major governmental was for E-911 supplementation and to the PIA for the debt service payment of the community center debt. The transfers from the non-major governmental funds to the general fund were from the hotel-motel fund and jail fee fund to cover budgeted operating expenditures.

3-H. Long-Term Debt

Governmental Activities | GEFA Loan Payable - The County has one outstanding GEFA loan payable at June 30, 2018.

GEFA Loan Payable – 2009 LC 2006016 – In February 2009, the County borrowed \$2,000,000 at an interest rate of 3% for the acquisition of a conservation easement discussed in Note 3-B. The Loan is payable in 216 monthly principal and interest payments of \$11,996 with a final maturity date of January 1, 2027.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this loan payable as of June 30, 2018 follow:

Year	Principal	Interest	Total
2019	112,858	31,100	143,957
2020	116,246	27,711	143,957
2021	119,867	24,090	143,957
2022	123,472	20,485	143,957
2023	127,227	16,730	143,957
2024 - 2027	488,639	27,334	515,973
	<u>\$ 1,088,309</u>	<u>\$ 147,449</u>	<u>\$ 1,235,758</u>

Governmental Activities | Bonds Payable - The County has two outstanding bond issues outstanding at June 30, 2018.

Harris County Public Improvements Authority Revenue Refunding Bond Series 2017 – On November 9, 2017, The Harris County Public Improvements Authority (HCPIA) issued \$6,425,000 in general obligation bonds with an average interest rate of 2.09% to advance refund \$5,805,000 of outstanding Series 2010B bonds with interest rates ranging between 1.45% to 6%. As a result, the Series 2010B bonds are considered defeased. Authorization by the Board of Commissioners for the refinancing was completed in order to covert the bonds to general obligation debt for which SPLOST proceeds could be used to pay off the outstanding bond debt. The County increased its total debt by \$620,000, which resulted in an economic loss on refunding of \$481,132.

Payments are due in semiannual installments commencing February 1, 2018 through August 1, 2028. Interest accrues at 2.09%.

Pursuant to the bond resolution, the County is in compliance with certain covenants.

Annual debt service requirements to this bond payable as of June 30, 2018 follow:

Year	Principal	Interest	Total
2019	280,000	131,351	411,351
2020	245,000	125,865	370,865
2021	615,000	116,878	731,878
2022	630,000	103,868	733,868
2023	645,000	90,544	735,544
2024 - 2028	4,009,750	253,488	4,263,238
	<u>\$ 6,424,750</u>	<u>\$ 821,994</u>	<u>\$ 7,246,744</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Harris County Public Improvements Authority Revenue Bonds , Taxable Series 2015 – The Harris County Community Public Improvement Authority (HCPIA) issued revenue bonds on December 22, 2014 in the amount of \$5,400,000, to fund various projects, which will result in providing a new County sewer line known as the “*Grove Sewer Project*.”

The principal is due in a single lump sum payment on January 1, 2035. Interest payments are due in semiannual installments of \$108,000 (Except the first payment which is \$113,400) commencing July 1, 2015 through January 1, 2035. Interest accrues at 4.0%. Principal is subject to redemption at the option of the issuer, at direction of the County, in whole or in part at any time at a redemption price of 100%.

Annual debt service requirements to bonds payable as of June 30, 2018 follow:

Year	Principal	Interest	Total
2019	-	216,000	216,000
2020	-	216,000	216,000
2021	-	216,000	216,000
2022	-	216,000	216,000
2023	-	216,000	216,000
2024-2028	-	1,080,000	1,080,000
2029-2033	-	1,080,000	1,080,000
2034-2035	5,400,000	432,000	5,832,000
Total	\$ 5,400,000	\$ 3,672,000	\$ 9,072,000

Governmental Activities |Capital Leases Payable - The County has six outstanding capital leases payable at June 30, 2018.

Capital Lease Payable #001-726726-000 – Caterpillar Financial Services – Lease #5 - This lease was entered into on December 18, 2014 in the original amount of \$62,578 to purchase a Caterpillar 924K wheel loader at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$1,130 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$18,773 (cost of \$62,578 less accumulated depreciation of \$43,805).

Annual debt service requirements to this lease payable as of June 30, 2018 follow:

Year	Principal	Interest	Total
2019	13,117	443	13,560
2020	6,718	62	6,780
Total	\$ 19,835	\$ 505	\$ 20,340

Capital Lease Payable #001-726726-001 – Caterpillar Financial Services – Lease #6 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$30,727 (cost of \$102,422 less accumulated depreciation of \$71,695).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to this note payable as of June 30, 2018 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	21,468	726	22,194
2020	<u>10,995</u>	<u>103</u>	<u>11,098</u>
Total	<u>\$ 32,463</u>	<u>\$ 829</u>	<u>\$ 33,292</u>

Capital Lease Payable #001-726726-002 – Caterpillar Financial Services – Lease #7 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$30,727 (cost of \$102,422 less accumulated depreciation of \$71,695).

Annual debt service requirements to this note payable as of June 30, 2018 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	21,468	726	22,194
2020	<u>10,995</u>	<u>103</u>	<u>11,098</u>
Total	<u>\$ 32,463</u>	<u>\$ 829</u>	<u>\$ 33,292</u>

Capital Lease Payable #001-726726-003 – Caterpillar Financial Services – Lease #8 - This lease was entered into on December 18, 2014 in the original amount of \$102,422 to purchase a Caterpillar 12M3 motor grader at an interest rate of 4% with monthly payments (which includes principal and interest) of \$1,850 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$30,727 (cost of \$102,422 less accumulated depreciation of \$71,695).

Annual debt service requirements to this note payable as of June 30, 2018 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	21,468	726	22,194
2020	<u>10,995</u>	<u>103</u>	<u>11,098</u>
Total	<u>\$ 32,463</u>	<u>\$ 829</u>	<u>\$ 33,292</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Capital Lease Payable #001-726726-004 – Caterpillar Financial Services – Lease #9 - This lease was entered into on December 18, 2014 in the original amount of \$50,393 to purchase a Caterpillar D5K2 track type tractor at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$910 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$15,117 (cost of \$50,393 less accumulated depreciation of \$35,276).

Annual debt service requirements to this note payable as of June 30, 2018 follow:

Year	Principal	Interest	Total
2019	8,665	357	9,022
2020	3,153	51	3,204
Total	<u>\$ 11,818</u>	<u>\$ 408</u>	<u>\$ 12,226</u>

Capital Lease Payable #001-726726-005 – Caterpillar Financial Services – Lease #10 - This lease was entered into on December 18, 2014 in the original amount of \$75,376 to purchase a Caterpillar 953D track loader at an interest rate of 3.2% with monthly payments (which includes principal and interest) of \$1,361 beginning January, 2015. The lease matures December 18, 2019. The equipment acquired by this lease is included in governmental activities general capital assets of the County in the amount of \$22,613 (cost of \$75,376 less accumulated depreciation of \$52,763).

Annual debt service requirements to this note payable as of June 30, 2018 follow:

Year	Principal	Interest	Total
2019	15,799	534	16,333
2020	6,193	74	6,267
Total	<u>\$ 21,992</u>	<u>\$ 608</u>	<u>\$ 22,600</u>

Business-type Activities – The County has two outstanding GEFA loans payable for the water works fund.

During the year ended June 30, 2003, the Harris County Water Works (“HCWW”) entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of \$700,000. However, under the terms of the note, the HCWW is only required to repay principal in the amount of \$200,000. The other \$500,000 was reported as grant revenue.

Proceeds were required to be used to reimburse construction costs for specified projects related to the HCWW’s water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. As of June 30, 2018 the HCWW is in compliance with these covenants. The loan is payable quarterly in seventy-eight equal installments of \$2,564 with principal maturities as follows:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	10,256	-	10,256
2020	10,256	-	10,256
2021	10,256	-	10,256
2022	10,256	-	10,256
2023	10,256	-	10,256
2024	2,568	-	2,568
Total	<u>\$ 53,848</u>	<u>\$ -</u>	<u>\$ 53,848</u>

During the year ended June 30, 2014, the Harris County Water Works ("HCWW") entered into a contract with GEFA under which it received certain funds made available through the Drinking Water State Revolving Loan Fund. In connection with the contract, the HCWW signed a promissory note in the amount of up to \$2,750,000. As of February 2018, total amounts drawn toward the loan liability at project completion were \$2,512,569. Proceeds were required to be used to reimburse construction costs for filter plant flocculation and sedimentation basins related to the HCWW's water system. Additionally, the HCWW was required to meet certain covenants related to commencement and completion of construction. As of June 30, 2018 the HCWW is in compliance with these covenants. The loan is payable monthly in 240 equal installments commencing March 1, 2018 through February 1, 2038

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	110,147	33,962	144,109
2020	111,699	32,410	144,109
2021	113,273	30,836	144,109
2022	114,869	29,240	144,109
2023	116,488	27,621	144,109
2024-2028	607,526	113,019	720,545
2029-2033	651,550	68,995	720,545
2034-2038	650,642	21,865	672,507
Total	<u>\$ 2,476,194</u>	<u>\$ 357,948</u>	<u>\$ 2,834,142</u>

Business-type Activities – The County has one outstanding bond issue payable for the water works fund.

2012A and 2012B Series Tax Exempt Water Revenue Bonds – During the year ended June 30, 2013, the HCPIA issued Tax Exempt Bonds Series 2012A and Taxable Series 2012B ("Series 2012 Bonds") in the amounts of \$7,500,000 and \$310,000, respectively, on behalf of the HCWW. Proceeds from these bonds were used to refund the outstanding 2002 Series Water and Sewer Revenue Bonds and pay the costs of issuing the Series 2012 Bonds. The 2002 Series Bonds had been used to refund the outstanding County Revenue Bonds, Series 1995A, 1995B, 1995C and 1995D; make additions, alterations and improvements to the County's water system; provide for a debt service reserve; and to pay the costs of issuing and insuring the Series 2002 Bonds.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

The 2012 Series Bonds are limited obligations of the HCPIA payable solely from the revenues that are payable to the HCPIA pursuant to a Project Lease Agreement (“PLA”) dated as of September 1, 2012 between the HCPIA and the County. Under the PLA, the County is obligated to make payments to the HCPIA in amounts sufficient to enable the HCPIA to pay the principal of, redemption premium (if any) and interest on the bonds as they become due and payable and, to the extent required, levy a tax on all taxable property located within the boundaries of the County as may be necessary to produce funds sufficient to enable the County to make such payments. All rights of the HCPIA as defined in the PLA provide security for the 2012 Series Bonds. Under provisions of the Bond Resolution, the HCPIA is required to maintain certain restricted accounts including a revenue fund, sinking fund, and rebate fund. The County makes lease payments to the HCPIA from water and sewer revenues generated by the HCWW for payment of the bonds. Therefore, the bonds are accounted for within the Water Works Fund.

Annual principal payments for the Series 2012A Bonds begin December 1, 2013 and continue through December 1, 2027 with interest accruing at 2.0% through 5.0% per annum, payable semiannually. Annual principal payments for the Series 2012B Bonds began December 1, 2012 and continued through December 1, 2013.

The Tax Exempt Series 2012A Bonds maturing on and after December 1, 2019 are subject to redemption prior to maturity on or after December 1, 2018, at the option of the HCPIA, at the direction of the County, in whole or in part at any time at a redemption price of 100% plus accrued interest to the redemption date.

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2019	485,000	130,648	615,648
2020	505,000	113,473	618,473
2021	520,000	103,223	623,223
2022	530,000	92,391	622,391
2023	540,000	80,685	620,685
2024-2028	2,910,000	194,865	3,104,865
Total	\$ 5,490,000	\$ 715,285	\$ 6,205,285

Business-type Activities – The County has three outstanding capital leases payable for the solid waste fund.

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #2 - On March 4, 2014, the County entered into a lease-purchase agreement in the original amount of \$43,709 to purchase a backhoe at an interest rate of 3.2% with monthly payments of \$789 including interest beginning March 4, 2013. The final payment is due March 4, 2019. The backhoe acquired through this agreement is included in the solid waste fund totaling \$5,034 (cost of \$43,150 less accumulated depreciation of \$38,116).

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

Year	Principal	Interest	Total
2019	6,240	74	6,314
Total	<u>\$ 6,240</u>	<u>\$ 74</u>	<u>\$ 6,314</u>

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #3 - On September 5, 2013, the County entered into a lease-purchase agreement in the original amount of \$82,444 to purchase an excavator at an interest rate of 3.2% with monthly payments of \$1,489 including interest beginning September 5, 2013. The final payment is due September 5, 2018. The excavator acquired through this agreement is included in the solid waste fund totaling \$1,357 (cost of \$81,391 less accumulated depreciation of \$80,034).

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

Year	Principal	Interest	Total
2019	2,967	10	2,977
Total	<u>\$ 2,967</u>	<u>\$ 10</u>	<u>\$ 2,977</u>

Solid Waste Fund – Lease Purchase Agreement Payable – Caterpillar Financial Services Corp. #4 - On November 5, 2014, the County entered into a lease-purchase agreement in the original amount of \$94,644 to purchase a backhoe loader at an interest rate of 3.2% with monthly payments of \$1,709 including interest beginning November 5, 2014. The final payment is due November 5, 2019. The backhoe loader acquired through this agreement is included in the solid waste fund totaling \$46,194 (cost of \$94,644 less accumulated depreciation of \$48,450).

Annual debt service requirements to maturity as of June 30, 2018 are as follows:

Year	Principal	Interest	Total
2019	19,891	617	20,508
2020	9,478	67	9,545
	<u>\$ 29,369</u>	<u>\$ 684</u>	<u>\$ 30,053</u>

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2018:

	Total Outstanding 7/1/2017	Additions	Reductions	Total Outstanding 6/30/2018	Amounts Due in One Year	Long-term Portion
Governmental Activities						
2009 GEFA Loan #LC2006016	\$ 1,197,835	\$ -	\$ 109,526	\$ 1,088,309	\$ 112,858	\$ 975,451
Harris County Public Improvement Authority 2017 revenue bonds (refi.)	6,165,000	620,000	360,250	6,424,750	280,000	6,144,750
Net deferred premiums	(36,608)	-	-	(36,608)	-	(36,608)
Harris County Public Improvement Authority 2015 revenue bonds	5,400,000	-	-	5,400,000	-	5,400,000
Total bonded debt	12,726,227	620,000	469,776	12,876,451	392,858	12,483,593
2013 Caterpillar capital lease #5	32,539	-	12,704	19,835	13,117	6,718
2013 Caterpillar capital lease #6	53,256	-	20,793	32,463	21,468	10,995
2013 Caterpillar capital lease #7	53,256	-	20,793	32,463	21,468	10,995
2013 Caterpillar capital lease #8	53,256	-	20,793	32,463	21,468	10,995
2013 Caterpillar capital lease #9	20,150	-	8,332	11,818	8,665	3,153
2013 Caterpillar capital lease #10	37,294	-	15,302	21,992	15,799	6,193
Compensated absences	290,312	252,539	232,250	310,601	248,482	62,119
Net pension liability	3,769,529	-	924,645	2,844,884	-	2,844,884
Total Governmental Activities Debt	\$ 17,035,819	\$ 872,539	\$ 1,725,388	\$ 16,182,970	\$ 743,325	\$ 15,439,645
Business-type Activities						
2003 GEFA Loan #DWSRF-11-013	\$ 64,104	\$ -	\$ 10,256	\$ 53,848	\$ 10,256	\$ 43,592
2014 GEFA Loan #DWSRF-11-013	2,423,694	88,875	36,375	2,476,194	110,147	2,366,047
Harris County Public Improvement Authority Series 2012A revenue bonds	5,960,000	-	470,000	5,490,000	485,000	5,005,000
Net deferred premiums	132,759	-	12,744	120,015	-	120,015
Total bonded debt	8,580,557	88,875	529,375	8,140,057	605,403	7,534,654
2013 Caterpillar capital lease #1	158,614	-	158,614	-	-	-
2014 Caterpillar capital lease #2	15,353	-	9,113	6,240	6,240	-
2014 Caterpillar capital lease #3	20,432	-	17,465	2,967	2,967	-
2015 Caterpillar capital lease #4	48,634	-	19,265	29,369	19,891	9,478
Landfill postclosure	220,490	-	18,140	202,350	26,660	175,690
Compensated absences	70,328	58,199	56,262	72,265	57,812	14,453
Net pension liability	731,291	-	149,649	581,642	-	581,642
Total Business-type Activities	\$ 9,845,699	\$ 147,074	\$ 957,883	\$ 9,034,890	\$ 718,973	\$ 8,315,917

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

For governmental and business type activities, the public improvement authority retires the outstanding revenue bonds. The Callaway debt service fund retires the governmental GEFA loan outstanding. The business-type activity GEFA loans are retired by the water fund. The governmental capital leases are retired by the general fund and the business-type activity capital leases are retired by the solid waste fund.

The compensated absences liabilities are paid by each governmental and enterprise fund where the employee works. The net pension liability is retired from the general fund and each applicable enterprise fund. The solid waste retires the postclosure care liability.

3-1. Pension Plans and Other Retirement Benefits

The Defined Benefit Pension Plan

Plan Description. The Harris County Defined Benefit Pension Plan and Trust, (the “Plan”), is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (ACCG), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The authority for the Plan, benefits, vesting and contributions are established by the Board of Commissioners. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEB Corp). GEB Corp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. The Plan is a defined benefit pension plan that provides retirement, disability and death benefits to Plan members and beneficiaries.

The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document.

The Plan is divided into two solo plans, Plan A, which is non-contributory and Plan B which is contributory.

Employees become vested after five years of service to the County. All full-time eligible employees hired prior to January 1, 2018 were participants in the ACCG Plan (Plan) upon employment.

Current membership is as follows:

Retirees, beneficiaries, and disablees	
currently receiving benefits	90
Terminated participants entitled to but	
not yet receiving benefits	115
Active employees participating in the plan	269
	<hr/>
Total number of participants	474
	<hr/> <hr/>

A copy of the plan’s financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
191 Peachtree Street, Suite 700
Atlanta, Georgia 30303

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Benefits Provided.

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to a monthly benefit in the amount of 0.75 percent of average annual compensation up to \$6,600, plus 1.25 percent of average annual compensation over \$6,600, plus \$36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over the highest consecutive five-year period out of the last ten years prior to retirement or termination. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Contributions.

Plan A:

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. Section 47-20 of the Georgia Code sets forth the minimum funding standards for local municipal defined benefit pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

Plan B

The required employee contribution is currently 1.75% of earnings.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time-to-time the contribution rates for the County and its plan participants.

The County's actuarially determined contribution rate for the plan year ended December 31, 2017 was \$877,599, or 9.11% of covered-employee payroll. The County's covered payroll for employees participating in the Plan as of January 1, 2017, (the most recent actuarial valuation date) was \$9,634,927 (based on covered earnings for the preceding year). The County Commissioner provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

The Georgia Constitution enables the governing authority of the County, the County Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2018, the County reported a net pension liability of \$3,426,526. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. For the year ended June 30, 2018, the County recognized pension expense of \$932,868.

The components of the net pension liability are as follows:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2017	<u>\$ 15,984,935</u>	<u>\$ 11,484,115</u>	<u>\$ 4,500,820</u>
Changes for the year:			
Service cost	472,022	-	472,022
Interest	1,138,025	-	1,138,025
Liability experience (Gain)/Loss	(87,476)	-	(87,476)
Assumption change	34,623	-	34,623
Employer contributions	-	877,599	(877,599)
Employee contribution	-	108,874	(108,874)
Net investment income	-	1,812,302	(1,812,302)
Benefit payments	(576,085)	(576,085)	-
Administrative expense	-	(47,992)	47,992
Other changes	-	(119,295)	119,295
	<u>981,109</u>	<u>2,055,403</u>	<u>(1,074,294)</u>
Balances at June 30, 2018	<u><u>\$ 16,966,044</u></u>	<u><u>\$ 13,539,518</u></u>	<u><u>\$ 3,426,526</u></u>
Plan fiduciary net position as a percentage of the total pension liability		79.80%	
Covered employee payroll		\$ 9,634,927	
Net pension liability as a percentage of covered employee payroll		35.56%	

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 320,895	\$ (754,306)
Net difference between expected and actual experience in the measurement of the total pension liability	235,833	(238,714)
Change of assumption	<u>599,994</u>	<u>-</u>
Total	<u><u>\$ 1,156,722</u></u>	<u><u>\$ (993,020)</u></u>

Any deferred outflows of resources resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

<u>December 31</u>	
2019	133,826
2020	133,824
2021	(10,966)
2022	(91,373)
2023	<u>(1,609)</u>
Totals	<u>\$ 163,702</u>

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions based on the results of a February 2014 experience study, applied to all periods included in the measurement:

Future salary increases	4.50% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.25%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled rates were derived from a 1977 Social Security Administration study.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

<u>Benchmark</u>	<u>Asset Allocation</u>	<u>Average 20 Year Return</u>	<u>Weighted 20 Year Return</u>	<u>Average 30 Year Return</u>	<u>Weighted 30 Year Return</u>
S&P 500	30%	7.91%	2.37%	10.22%	3.07%
Barlay's Agg.	30%	5.60%	1.68%	6.56%	1.97%
MSCI EAFE	15%	4.29%	0.64%	5.73%	0.86%
Citi Non US WEBI	5%	4.66%	0.23%	5.98%	0.30%
NAREIT Equity	5%	10.79%	0.54%	10.44%	0.52%
Russell 2000	5%	8.06%	0.40%	9.33%	0.47%
Russell 3000	5%	8.03%	0.40%	10.14%	0.51%
S&P Mid Cap	5%	11.22%	<u>0.56%</u>	11.53%	<u>0.58%</u>
Weighted Return			<u>6.82%</u>		<u>8.28%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.25%	\$ 5,585,897
Current discount rate	7.25%	3,426,526
1% increase	8.25%	1,615,422

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

Defined Contribution Plans

Deferred Compensation Plan – The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, which was administered by GEBCorp and VALIC for the year ended June 30, 2018, is available to all full-time employees and all permanent part-time employees at their option and permits participants to defer a portion of their salary until future years. The County retains the authority to amend the adoption agreement and change contribution requirements based on the plan document. At June 30, 2018, there were 240 participants in the plan. The employees are 100 percent vested in their contributions. Plan assets are not available to participants until termination, retirement, death or unforeseeable emergency. For the year ended June 30, 2018, contributions totaled \$605,513.

It is the opinion of the County's management that the County has no fiduciary responsibility for plan assets once they are deposited with the plan administrator. Consequently, under the provisions of GASB standards, plan assets are not reported in the financial statements. These assets totaled \$2,654,514 at June 30, 2018. Investments are participant-directed from a choice of 42 mutual funds. Investments in 4 of the mutual funds represented 5 percent or more of the net assets of the plan as of June 30, 2018.

Defined Contribution Money Purchase Pension Plan – The County offers its employees a defined contribution money purchase pension plan in accordance with Internal Revenue Code Section 401(a). The plan, which is administered by GEBCorp, is available to all full-time employees with six months of service. The County retains the authority to amend the adoption agreement and change contribution requirements based on the plan document.

The County has no fiduciary responsibility for plan assets once they are deposited with the plan administrator. Consequently, under the provisions of GASB standards, plan assets are not reported in the financial statements. These assets totaled \$3,975,813 at June 30, 2018. Investments are participant-directed from a choice of a guaranteed interest account and various mutual funds. Investments in 7 of the mutual funds and the guaranteed interest account each represent 5 percent or more of the net assets of the plan as of June 30, 2018.

Other Plans

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Fund Equity

Fund Balances – Fund balances are classified as follows:

- **Nonspendable** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:

Prepaid items	\$ 214,468
Inventories	187,597
Total	<u>\$ 402,065</u>

- **Restricted** – The following fund balances are legally restricted to specified purposes:

2014 SPLOST

Capital projects	<u>\$ 1,999,994</u>
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Callaway Debt Service Fund

Debt service	<u>\$ 24,560</u>
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Public Improvement Authority Fund

Debt service	<u>\$ 221,732</u>
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Transportation Investment Act Fund

Capital projects	<u>\$ 1,473,886</u>
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Nonmajor Special Revenue Funds:

Judicial - law library	66,463
Public safety	132,088

Total Nonmajor Special Revenue Funds:	<u>\$ 198,551</u>
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Nonmajor Capital Projects Funds

Capital projects	<u>\$ 136,673</u>
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- **Committed** – The following fund balance are committed to specified purposes:

General Fund:

Recreation facilities	<u>\$ 307,288</u>
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- **Assigned** – The following fund balance is assigned to specific purposes:

General Fund:

FY2019 Budgeted Use of Reserves	<u>\$ 527,133</u>
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Nonmajor Special Revenue Funds

Health and welfare	<u>\$ 215,426</u>
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- **Unassigned** – The following fund balances include the unassigned amounts:

General Fund:

Unassigned	<u>\$ 7,385,148</u>
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Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets

The “net investment in capital assets” reported on the government-wide statement of net position as of June 30, 2018 are as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Cost of capital assets	\$ 94,179,174	\$ 49,148,620
Less accumulated depreciation	43,381,304	18,057,508
Book value	50,797,870	31,091,112
Less capital related debt	13,027,485	8,178,633
Net investment in capital assets	<u>\$ 37,770,385</u>	<u>\$ 22,912,479</u>

Note 4 - Other Notes

4-A. Risk Management

Interlocal Risk Management Agency - The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance operated by Association County Commissioners of Georgia (ACCG) and the ACCG-Group Self-Insurance Workers' Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The ACCG administers both risk pools.

As part of these risks pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The County has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The County is not aware of any claims, which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2018. No provision has been made in the financial statements for the year ended June 30, 2018, for any estimate of potential unpaid claims.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

Harris County, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2018

Note 4 – Other Notes (Continued)

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at June 30, 2018. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. Tax Abatements

For the year ended June 30, 2018, the County's property tax revenues were reduced by \$220,719 under agreements entered into by the Harris County Development Authority with two businesses under the economic development laws of the State of Georgia. These agreements qualify for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*. Under the agreements, taxes on real and personal property are reduced by between 50% and 90% based on investments made by the entities to whom the incentives were offered as long as the entities meet certain investment targets.

4-D. Subsequent Events

Water Works:

Water Meter Replacement Project - On February 6, 2018, the Board of County Commissioners voted to execute a \$1,812,000 loan agreement with GEFA for the complete replacement of approximately 8,500 county water meters. The project budget was approved by GEFA to not exceed \$1,812,000. On July 17, 2018, the Board of County Commissioners awarded the bid to Badger Meter, Inc. from Milwaukee, WI at a base bid of \$1,238,777.04. The project is estimated to take 18 to 24 months to complete. The loan will bear interest at 0.89% and have a 20 year amortization commencing on the earlier of 1) the completion date, 2) March 1, 2020, or 3) the date the loan is fully disbursed.

4-E. Hotel/Motel Lodging Tax

The County levies a lodging tax in accordance with O.C.G.A. 48-13-51 and expends approximately 75% of the hotel/motel tax collections for the purpose of promoting tourism. On September 18, 2018, the Board of County Commissioners voted to increase the hotel/motel tax from 3% to 5%, effective January 1, 2019.

A summary of the transactions for the year ended June 30, 2018 follows:

Receipts:	
Lodging tax receipts	<u>\$ 59,542</u>
Disbursements to:	
Harris County Chamber of Commerce	\$ 29,533
Georgia Department of Natural Resources	14,781
Harris County General Fund	<u>15,228</u>
Total tax and investment earnings disbursements	<u>\$ 59,542</u>

Harris County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 14,711,400	\$ 14,711,400	\$ 16,316,555	\$ 1,605,155
Licenses and permits	305,500	305,500	305,982	482
Intergovernmental	1,275,090	1,275,090	960,571	(314,519)
Charges for services	2,718,800	2,718,800	2,797,819	79,019
Fines and forfeitures	910,000	910,000	835,888	(74,112)
Investment earnings	30,000	30,000	40,106	10,106
Contributions and donations	500	500	65	(435)
Miscellaneous	3,500	3,500	59,759	56,259
Total Revenues	19,954,790	19,954,790	21,316,745	1,361,955
Expenditures				
Current:				
General government	3,877,571	3,968,873	3,453,445	515,428
Judicial	1,699,399	1,732,399	1,504,985	227,414
Public safety	11,057,137	11,126,533	10,283,496	843,037
Public works	3,720,353	3,761,353	3,604,295	157,058
Health and welfare	282,170	282,170	278,008	4,162
Culture and recreation	1,451,133	1,455,646	1,071,921	383,725
Housing and development	447,256	454,356	403,219	51,137
Debt Service:				
Principal	127,288	127,288	98,717	28,571
Interest	7,445	7,445	185,182	(177,737)
Total Expenditures	22,669,752	22,916,063	20,883,268	2,032,795
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,714,962)	(2,961,273)	433,477	3,394,750
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	25,000	25,000	-	(25,000)
Transfers in	11,000	11,000	679,624	668,624
Transfers (out)	(430,843)	(1,263,818)	(1,044,150)	219,668
Total Other Financing Sources (Uses)	(394,843)	(1,227,818)	(364,526)	863,292
Net Change in Fund Balances	\$ (3,109,805)	\$ (4,189,091)	68,951	\$ 4,258,042
Fund Balances Beginning of Year			8,552,683	
Fund Balances End of Year			\$ 8,621,634	

Harris County, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Last Ten Years
Harris County Defined Benefit Plan
For the Year Ended June 30, 2018
(Unaudited)

	Year End	Year End	Year End	Year End
	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 472,022	\$ 468,431	\$ 431,395	\$ 404,205
Interest on total pension liability	1,138,025	1,103,285	968,484	904,146
Assumption Change	34,623	468,194	471,672	-
Benefit payments, including refunds of employee contribution:	(576,085)	(520,658)	(512,189)	(450,504)
Experience (Gain)/Loss	(87,476)	(244,777)	437,973	-
Net change in total pension liability	981,109	1,274,475	1,797,335	857,847
Total pension liability - beginning	15,984,935	14,710,460	12,913,125	12,055,278
Total pension liability - ending (a)	\$ 16,966,044	\$ 15,984,935	\$ 14,710,460	\$ 12,913,125
Plan fiduciary net position				
Contributions - employer	\$ 877,599	\$ 885,586	\$ 829,984	\$ 784,977
Contributions - employee	108,874	101,818	99,560	94,654
Net investment income	1,812,302	758,734	83,893	645,094
Benefit payments, including refunds of employee contribution:	(576,085)	(501,839)	(493,676)	(435,064)
Administrative expense	(47,992)	(50,481)	(46,716)	(43,613)
Other	(119,297)	(69,976)	(109,913)	(81,534)
Net change in total pension liability	2,055,401	1,123,842	363,132	964,514
Plan fiduciary net position - beginning	11,484,117	10,360,275	9,997,143	9,032,629
Plan fiduciary net position - ending (b)	\$ 13,539,518	\$ 11,484,117	\$ 10,360,275	\$ 9,997,143
Net pension liability (asset) - ending : (a) - (b)	\$ 3,426,526	\$ 4,500,818	\$ 4,350,185	\$ 2,915,982
Plan's fiduciary net position as a percentage of the total pension liability	79.80%	71.84%	70.43%	77.42%
Covered-employee payroll	\$ 9,634,927	\$ 9,389,612	\$ 9,176,860	\$ 8,802,806
Net pension liability as a percentage of covered-employee payroll	35.56%	47.93%	47.40%	33.13%

Note: 2015 was the first year of implementation. Therefore, only four years are shown

Harris County, Georgia
Required Supplementary Information
Schedule of Contributions
Last Ten Years
Harris County Defined Benefit Plan
June 30, 2018
(Unaudited)

	Year End	Year End	Year End	Year End
	2018	2017	2016	2015
Actuarially determined contribution	\$ 877,599	\$ 885,586	\$ 829,984	\$ 784,977
Contributions in relation to the actuarially determined contribution	(877,599)	(885,586)	(829,984)	(784,977)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered-employee payroll	\$ 9,634,927	\$ 9,389,612	\$ 9,176,860	\$ 8,802,806
Contributions as a percentage of covered-employee payroll	9.11%	9.43%	9.04%	8.92%

Note: 2015 was the first year of implementation. Therefore, only four years are shown.

Harris County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 2,441,266	\$ 3,210,542
Investments	5,027,358	514,798
Restricted cash	-	1,224,109
Receivables:		
Accounts		
Property taxes	183,280	171,629
TAVT	178,983	136,750
Sales taxes	163,667	174,229
Intergovernmental	108,091	119,220
Interest	-	388
Interfund	1,164,165	3,564,265
Development authority	15	15
Inventory	187,597	244,982
Prepaid items	214,468	191,387
Total Assets	\$ 9,668,890	\$ 9,552,314
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 309,367	\$ 365,591
Accrued expenditures payable	633,068	573,421
Total Liabilities	942,435	939,012
Deferred Inflows of Resources - Property Taxes	104,821	60,619
Total Liabilities and Deferred Inflows of Resources	1,047,256	999,631
Fund Balances		
Nonspendable - not in spendable form	402,065	436,369
Restricted for roads	-	1,224,109
Committed for recreation facilities	307,288	307,288
Assigned	527,133	-
Unassigned	7,385,148	6,584,917
Total Fund Balances	8,621,634	8,552,683
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 9,668,890	\$ 9,552,314

Harris County, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2018 and 2017

	2018	2017*
Revenues		
Taxes	\$ 16,316,555	\$ 12,317,810
Intergovernmental	960,571	855,014
Licenses and permits	305,982	243,911
Charges for services	2,797,819	2,670,639
Fines and forfeitures	835,888	863,014
Investment earnings	40,106	7,436
Contributions and donations	65	25,000
Miscellaneous	59,759	41,284
Total Revenues	21,316,745	17,024,108
Expenditures		
Current:		
General government	3,453,445	5,245,619
Judicial	1,504,985	1,339,954
Public safety	10,283,496	8,284,128
Public works	3,604,295	1,606,891
Health and welfare	278,008	287,450
Culture and recreation	1,071,921	966,863
Housing and development	403,219	316,446
Principal	98,717	97,449
Interest	185,182	9,945
Total Expenditures	20,883,268	18,154,745
(Deficiency) of Revenues (Under) Expenditures	433,477	(1,130,637)
Other Financing Sources (Uses)		
Transfers in	679,624	12,685
Transfers (out)	(1,044,150)	(1,264,289)
Other Financing Sources (Uses)	(364,526)	(1,251,604)
Net Change in Fund Balances	68,951	(2,382,241)
Fund Balances Beginning of Year	8,552,683	10,934,924
Fund Balances End of Year	\$ 8,621,634	\$ 8,552,683

* In 2018, certain expenditures related to health insurance and pension were reallocated from general government expenditures to the various departments. This reallocation is not reflected for 2017.

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Taxes					
Real property					
Current	\$ 9,275,000	\$ 9,275,000	\$ 10,435,345	\$ 1,160,345	\$ 7,017,653
Delinquent	62,000	62,000	234,716	172,716	90,644
Timber	42,000	42,000	32,939	(9,061)	39,758
Personal property					
Motor vehicle tax	240,000	240,000	203,521	(36,479)	188,592
Motor vehicle title ad valorem tax (TAVT)	885,000	885,000	1,083,980	198,980	932,315
Motor vehicle alternate ad valorem tax (AAVT)	8,800	8,800	12,775	3,975	-
Mobile home	8,000	8,000	13,002	5,002	8,597
Intangibles	192,600	192,600	197,759	5,159	169,124
Railroad	11,000	11,000	7,170	(3,830)	5,883
Real estate transfer tax	40,000	40,000	61,364	21,364	43,674
Franchise taxes	57,000	57,000	66,966	9,966	43,622
Local option sales and use tax	1,800,000	1,800,000	1,855,939	55,939	1,800,486
Business taxes					
Alcoholic beverage excise tax	175,000	175,000	168,591	(6,409)	171,102
Business and occupation tax	53,000	53,000	56,519	3,519	46,196
Financial institutions	25,000	25,000	17,852	(7,148)	24,765
Insurance premium tax	1,637,000	1,637,000	1,659,374	22,374	1,549,306
Penalties and interest on delinquent taxes					
FIFA	30,000	30,000	32,925	2,925	27,161
Interest and penalties	170,000	170,000	175,818	5,818	158,932
Total Taxes	14,711,400	14,711,400	16,316,555	1,605,155	12,317,810
Licenses and Permits					
Business licenses - alcoholic beverages	54,000	54,000	53,318	(682)	43,550
Non-business licenses and permits					
Building permits	250,000	250,000	245,881	(4,119)	199,161
Land disturbance permits	500	500	3,108	2,608	-
Driveway permits	-	-	1,550	1,550	-
Manufactured housing permits	1,000	1,000	2,125	1,125	1,200
Total Licenses and Permits	305,500	305,500	305,982	482	243,911
Intergovernmental					
State					
LMIG-PW	750,000	750,000	918,663	168,663	693,183
TE grant-PW	512,473	512,473	-	(512,473)	-
DOT-PW	-	-	-	-	64,768
GEMA-PW	-	-	-	-	85,800
GSWCC Watershed Dam-PW	-	-	1,500	1,500	-
EMA-PS	10,117	10,117	8,507	(1,610)	10,107
EMS-PS	-	-	9,401	9,401	1,156
SORNA-PS	-	-	20,000	20,000	-
Wellness grant-GG	2,500	2,500	2,500	-	-
Total Intergovernmental	1,275,090	1,275,090	960,571	(314,519)	855,014
Totals carried forward	16,291,990	16,291,990	17,583,108	1,291,118	13,416,735

(continued)

Harris County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

(continued)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Brought forward	\$ 16,291,990	\$ 16,291,990	\$ 17,583,108	\$ 1,291,118	\$ 13,416,735
Revenues					
Charges for Services					
General government					
Sale of maps	800	800	1,117	317	738
Sale of computer lists	500	500	715	215	620
Copies and facsimiles	500	500	1,260	760	905
Commissions on tax collections	571,000	571,000	598,682	27,682	561,456
Judicial					
Superior Court website fees	4,000	4,000	3,173	(827)	2,072
Public safety					
Ambulance	680,000	680,000	778,073	98,073	712,372
Corrections - boarding	1,073,000	1,073,000	1,083,200	10,200	1,060,362
Corrections - reimbursements	2,500	2,500	7,518	5,018	2,268
State inmate boarding	20,000	20,000	11,913	(8,087)	10,302
Federal prison commission	75,000	75,000	12,384	(62,616)	15,408
Telephone - jail	8,000	8,000	5,959	(2,041)	6,499
Telephone - corrections	20,000	20,000	30,163	10,163	29,514
Sheriff receipts	27,000	27,000	37,950	10,950	31,162
Child support fees	1,000	1,000	314	(686)	-
Public works					
DOT crew	39,500	39,500	39,500	-	46,301
Pipe sales	40,000	40,000	38,702	(1,298)	55,399
Work crew-City of Manchester	40,000	40,000	43,284	3,284	41,033
Road funding - cities	-	-	-	-	6,066
Animal control fees	5,000	5,000	9,034	4,034	10,859
Culture and recreation					
Community center	90,000	90,000	90,488	488	73,373
Agricenter-cattlemen's association	-	-	-	-	145
Health and welfare					
Mental retardation center	6,000	6,000	-	(6,000)	-
Mental health center	6,000	6,000	-	(6,000)	-
Housing and development					
Zoning fees and appeals	1,000	1,000	1,105	105	765
Soil and erosion permits	-	-	-	-	-
Plat and plan review fees	8,000	8,000	3,285	(4,715)	3,020
Total Charges for Services	2,718,800	2,718,800	2,797,819	79,019	2,670,639
Fines and Forfeitures					
Superior court	230,000	230,000	171,711	(58,289)	200,286
Magistrate court	50,000	50,000	51,488	1,488	47,173
Probate court	630,000	630,000	612,689	(17,311)	615,555
Total Fines and Forfeitures	910,000	910,000	835,888	(74,112)	863,014
Investment Earnings	30,000	30,000	40,106	10,106	7,436
Contributions and Donations	500	500	65	(435)	25,000
Miscellaneous					
Rents and royalties	1,500	1,500	3,463	1,963	-
Other					
Commissions on child support	-	-	-	-	141
Sale of surplus property	-	-	54,246	54,246	260
Election Fees	2,000	2,000	1,850	(150)	3,500
Miscellaneous	-	-	200	200	37,383
Total Miscellaneous	3,500	3,500	59,759	56,259	41,284
Total Revenues	19,954,790	19,954,790	21,316,745	1,361,955	17,024,108
Other Financing Sources:					
Proceeds from the sale of capital assets	25,000	25,000	-	-	-
Use of Reserves	1,676,828	2,024,695	-	(2,024,695)	-
Transfers in	-	-	-	-	-
County Jail	620,000	664,396	664,396	-	-
Water Works	300,000	300,000	-	(300,000)	-
Solid Waste	1,500,000	1,500,000	-	(1,500,000)	-
Hotel/motel taxes	11,000	11,000	15,228	4,228	12,685
Total Other Financing Sources	4,132,828	4,525,091	679,624	(3,820,467)	12,685
Total Revenues and Other Financing Sources	\$ 24,087,618	\$ 24,479,881	\$ 21,996,369	\$ (2,458,512)	\$ 17,036,793

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Expenditures					
General Government					
Voter Registration					
Personal services	\$ 8,450	\$ 8,698	\$ 8,334	\$ 364	\$ 27,646
Purchased/contracted services	39,225	39,225	26,599	12,626	27,283
Supplies	3,600	3,600	3,765	(165)	589
Total Elections	<u>51,275</u>	<u>51,523</u>	<u>38,698</u>	<u>12,825</u>	<u>55,518</u>
General Administration					
Personal services	517,507	531,561	499,674	31,887	357,086
Purchased/contracted services	266,780	266,780	259,477	7,303	514,356
Supplies	12,500	12,500	12,477	23	22,075
Capital outlay	35,000	35,000	30,278	4,722	1,830
Total Administration	<u>831,787</u>	<u>845,841</u>	<u>801,906</u>	<u>43,935</u>	<u>895,347</u>
Board of Commissioners					
Personal services	131,638	131,638	112,086	19,552	-
Purchased/contracted services	14,644	14,644	21,211	(6,567)	-
Supplies	100	100	-	100	-
Total Board of Commissioners	<u>146,382</u>	<u>146,382</u>	<u>133,297</u>	<u>13,085</u>	<u>-</u>
Board of Equalization					
Purchased/contracted services	6,050	6,050	4,410	1,640	-
Supplies	350	350	-	350	-
Total Board of Equalization	<u>6,400</u>	<u>6,400</u>	<u>4,410</u>	<u>1,990</u>	<u>-</u>
Information Technology					
Personal services	81,151	81,151	61,273	19,878	-
Purchased/contracted services	3,800	15,800	18,940	(3,140)	-
Supplies	8,000	21,000	32,358	(11,358)	-
Total Information Technology	<u>92,951</u>	<u>117,951</u>	<u>112,571</u>	<u>5,380</u>	<u>-</u>
Tax Commissioner					
Personal services	373,855	385,855	367,729	18,126	253,960
Purchased/contracted services	70,196	70,196	62,721	7,475	59,562
Supplies	11,500	11,500	10,579	921	10,643
Total Tax Commissioner	<u>455,551</u>	<u>467,551</u>	<u>441,029</u>	<u>26,522</u>	<u>324,165</u>
Tax Assessor					
Personal services	489,711	489,711	466,798	22,913	333,269
Purchased/contracted services	56,839	56,839	36,323	20,516	51,060
Supplies	8,100	8,100	8,026	74	8,977
Capital outlay	-	-	-	-	1,839
Total Tax Assessor	<u>554,650</u>	<u>554,650</u>	<u>511,147</u>	<u>43,503</u>	<u>395,145</u>
Totals carried forward	<u>2,138,996</u>	<u>2,190,298</u>	<u>2,043,058</u>	<u>147,240</u>	<u>1,670,175</u>

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 2,138,996	\$ 2,190,298	\$ 2,043,058	\$ 147,240	\$ 1,670,175
Expenditures					
Buildings and Plant					
Personal services	204,323	204,323	200,072	4,251	147,797
Purchased/contracted services	149,800	159,800	587,872	(428,072)	390,985
Supplies	413,479	443,479	19,346	424,133	17,768
Capital outlay	-	-	-	-	15,740
Total Buildings and Plant	767,602	807,602	807,290	312	572,290
Operations					
Personal services	60,000	60,000	-	60,000	-
Purchased/contracted services	188,500	203,500	360,315	(156,815)	271,588
Supplies	-	-	70,534	(70,534)	38,496
Capital outlay	512,473	512,473	-	512,473	3,865
Total Operations	760,973	775,973	430,849	345,124	313,949
Pensions and Insurance					
Pensions	-	-	-	-	969,400
Unemployment	-	-	-	-	16,422
Workers compensation	-	-	-	-	218,059
Property and Casualty	210,000	195,000	172,248	22,752	181,952
Group Health/Life	-	-	-	-	1,303,372
Total Pensions and Insurance	210,000	195,000	172,248	22,752	2,689,205
Total General Government	3,877,571	3,968,873	3,453,445	515,428	5,245,619
Judicial					
Superior Court					
Personal services	419,609	431,609	410,599	21,010	294,034
Purchased/contracted services	45,732	66,732	62,364	4,368	47,420
Supplies	19,500	19,500	14,047	5,453	15,478
Total Superior Court	484,841	517,841	487,010	30,831	356,932
Probate Court					
Personal services	230,609	230,609	211,517	19,092	167,944
Purchased/contracted services	23,981	23,981	10,707	13,274	7,965
Supplies	19,000	19,000	16,793	2,207	12,791
Capital outlay	-	-	-	-	2,723
Total Probate Court	273,590	273,590	239,017	34,573	191,423
Court Services					
Personal services	149,721	149,721	133,208	16,513	153,908
Purchased/contracted services	233,355	233,355	215,019	18,336	256,782
Supplies	2,500	2,500	2,034	466	2,630
Total Court Services	385,576	385,576	350,261	35,315	413,320
Magistrate Court					
Personal services	226,367	226,367	215,120	11,247	176,790
Purchased/contracted services	12,500	12,500	6,481	6,019	10,617
Supplies	5,978	5,978	8,519	(2,541)	4,055
Total Magistrate Court	244,845	244,845	230,120	14,725	191,462
Totals carried forward	5,266,423	5,390,725	4,759,853	630,872	6,398,756

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 5,266,423	\$ 5,390,725	\$ 4,759,853	\$ 630,872	\$ 6,398,756
Expenditures					
Judicial (Continued)					
Assistant District Attorney					
Personal services	290,226	290,226	259,475	30,751	239,016
Purchased/contracted services	8,950	8,950	8,865	85	6,423
Supplies	11,371	11,371	6,795	4,576	7,949
Capital outlay	-	-	-	-	1,700
District attorney reimbursement	-	-	(76,558)	76,558	(68,271)
Total Assistant District Attorney	<u>310,547</u>	<u>310,547</u>	<u>198,577</u>	<u>111,970</u>	<u>186,817</u>
Total Judicial	<u>1,699,399</u>	<u>1,732,399</u>	<u>1,504,985</u>	<u>227,414</u>	<u>1,339,954</u>
Totals carried forward	<u>5,576,970</u>	<u>5,701,272</u>	<u>4,958,430</u>	<u>742,842</u>	<u>6,585,573</u>

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 5,576,970	\$ 5,701,272	\$ 4,958,430	\$ 742,842	\$ 6,585,573
Expenditures					
Public Safety					
Sheriff					
Personal services	3,128,250	3,153,250	2,943,549	209,701	2,126,454
Purchased/contracted services	120,895	120,895	171,854	(50,959)	134,177
Supplies	299,225	299,225	299,143	82	233,656
Capital outlay	200,000	200,000	192,656	7,344	173,335
Total Sheriff	3,748,370	3,773,370	3,607,202	166,168	2,667,622
Emergency Medical					
Personal services	2,406,603	2,406,603	1,997,728	408,875	1,586,214
Purchased/contracted services	117,650	117,650	132,478	(14,828)	93,194
Supplies	107,955	107,955	103,278	4,677	102,079
Capital outlay	-	-	-	-	182,617
Total Emergency Medical	2,632,208	2,632,208	2,233,484	398,724	1,964,104
Jail Operations					
Personal services	1,372,608	1,372,608	1,298,804	73,804	969,517
Purchased/contracted services	387,855	387,855	393,005	(5,150)	345,504
Supplies	51,500	51,500	40,062	11,438	26,135
Capital outlay	12,500	12,500	10,000	2,500	21,549
Total Jail Operations	1,824,463	1,824,463	1,741,871	82,592	1,362,705
Law Enforcement Center					
Purchased/contracted services	-	-	-	-	139,744
Total Law Enforcement Center	-	-	-	-	139,744
Corrections					
Personal services	1,616,596	1,616,596	1,475,369	141,227	1,005,639
Purchased/contracted services	425,200	432,731	428,785	3,946	418,749
Supplies	86,963	86,963	90,278	(3,315)	65,660
Capital outlay	110,200	147,065	139,965	7,100	70,078
Total Corrections	2,238,959	2,283,355	2,134,397	148,958	1,560,126
Totals carried forward	16,020,970	16,214,668	14,675,384	1,539,284	14,279,874

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018			2017	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 16,020,970	\$ 16,214,668	\$ 14,675,384	\$ 1,539,284	\$ 14,279,874
Expenditures					
Public Safety (Continued)					
Coroner					
Personal services	23,605	23,605	23,345	260	13,951
Purchased/contracted services	28,698	28,698	26,300	2,398	31,018
Supplies	5,300	5,300	4,919	381	1,744
Total Coroner/Medical Examiner	57,603	57,603	54,564	3,039	46,713
Fire Prevention					
Personal services	71,500	71,500	47,217	24,283	-
Purchased/contracted services	90,000	90,000	249,406	(159,406)	308,421
Supplies	5,000	5,000	4,353	647	146
Capital outlay	389,034	389,034	211,002	178,032	234,547
Total Fire Prevention	555,534	555,534	511,978	43,556	543,114
Total Public Safety	11,057,137	11,126,533	10,283,496	843,037	8,284,128
Public Works					
Road Maintenance					
Personal services	818,790	834,790	770,918	63,872	586,014
Purchased/contracted services	128,677	143,677	167,760	(24,083)	98,123
Supplies	319,500	319,500	230,885	88,615	67,511
Capital outlay	1,974,183	1,974,183	1,974,183	-	411,215
Total Road Maintenance	3,241,150	3,272,150	3,143,746	128,404	1,162,863
Animal Control					
Personal services	95,725	95,725	93,344	2,381	67,382
Purchased/contracted services	16,957	16,957	11,770	5,187	8,311
Supplies	20,630	20,630	11,374	9,256	10,112
Capital outlay	-	-	-	-	4,894
Total Animal Control	133,312	133,312	116,488	16,824	90,699
Vehicle Maintenance					
Personal services	264,848	269,848	262,134	7,714	188,422
Purchased/contracted services	22,400	22,400	16,062	6,338	24,208
Supplies	37,043	42,043	44,514	(2,471)	136,298
Capital outlay	21,600	21,600	21,351	249	4,401
Total Vehicle Maintenance	345,891	355,891	344,061	11,830	353,329
Total Public Works	3,720,353	3,761,353	3,604,295	157,058	1,606,891
Totals carried forward	20,354,460	20,589,158	18,846,221	1,742,937	16,476,592

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 20,354,460	\$ 20,589,158	\$ 18,846,221	\$ 1,742,937	\$ 16,476,592
Expenditures					
Health and Welfare					
Child Support					
Personal services	-	-	-	-	5,620
Purchased/contracted services	-	-	-	-	177
Total Child Support	-	-	-	-	5,797
Health Department					
Purchased/contracted services	250,000	250,000	250,000	-	256,000
Public Services					
Purchased/contracted services	32,170	32,170	28,008	4,162	25,653
Total Public Services	32,170	32,170	28,008	4,162	25,653
Total Health and Welfare	282,170	282,170	278,008	4,162	287,450
Culture and Recreation					
Culture:					
Libraries	237,570	237,570	237,570	-	225,618
Recreation:					
Personal services	283,564	288,077	286,767	1,310	205,678
Purchased/contracted services	127,724	127,724	189,405	(61,681)	125,995
Supplies	90,500	90,500	22,657	67,843	12,425
Capital outlay	340,888	340,888	6,100	334,788	75,777
Total Recreation	842,676	847,189	504,929	342,260	419,875
Community Center:					
Personal services	184,793	184,793	152,400	32,393	119,005
Purchased/contracted services	50,750	50,750	145,168	(94,418)	184,182
Supplies	135,344	135,344	31,854	103,490	18,183
Total Community Center	370,887	370,887	329,422	41,465	321,370
Total Culture and Recreation	1,451,133	1,455,646	1,071,921	383,725	966,863
Totals carried forward	22,087,763	22,326,974	20,196,150	2,130,824	17,730,905

(continued)

Harris County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for The Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Totals brought forward	\$ 22,087,763	\$ 22,326,974	\$ 20,196,150	\$ 2,130,824	\$ 17,730,905
Expenditures					
Housing and Development (Continued)					
Community Development					
Personal services	288,760	288,760	281,793	6,967	205,598
Purchased/contracted services	58,548	58,548	16,909	41,639	12,222
Supplies	12,500	12,500	10,564	1,936	16,248
Total Community Development	359,808	359,808	309,266	50,542	234,068
Extension Services					
Personal services	71,637	78,737	77,762	975	65,977
Purchased/contracted services	13,311	13,311	13,738	(427)	13,560
Supplies	2,500	2,500	2,453	47	2,841
Total Extension Services	87,448	94,548	93,953	595	82,378
Economic Development					
Purchased/contracted services	-	-	-	-	-
Total Housing and Development	447,256	454,356	403,219	51,137	316,446
Debt Service					
Principal	127,288	127,288	98,717	28,571	97,449
Interest	7,445	7,445	185,182	(177,737)	9,945
Total Debt Service	134,733	134,733	283,899	(149,166)	107,394
Total Expenditures	22,669,752	22,916,063	20,883,268	2,032,795	18,154,745
Other Financing Uses					
Transfers out:					
E-911	858,779	927,779	643,704	284,075	201,075
Capital Projects	-	221,952	221,952	-	1,486
Public Improvements Authority	559,087	414,087	178,494	235,593	985,370
Airport	-	-	-	-	76,358
Total Other Financing Uses	1,417,866	1,563,818	1,044,150	519,668	1,264,289
Total Expenditures and Other Financing Uses	\$ 24,087,618	\$ 24,479,881	\$ 21,927,418	\$ 2,552,463	\$ 19,419,034

Harris County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 903,540	\$ 1,619,520	\$ 2,523,060
Restricted cash and cash equivalents	-	221,732	221,732
Receivables:			
Accounts	122,397	-	122,397
Notes	2,950	-	2,950
Interest	455	-	455
Interfund	10,467	-	10,467
Sales taxes	-	83,733	83,733
Prepaid expenses	13,183	-	13,183
Total Assets	<u><u>\$ 1,052,992</u></u>	<u><u>\$ 1,924,985</u></u>	<u><u>\$ 2,977,977</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 19,170	\$ 6,805	\$ 25,975
Retainage payable	-	85,889	85,889
Accrued expenditures payable	21,796	-	21,796
Interfund payable	598,049	-	598,049
Total Liabilities	<u>639,015</u>	<u>92,694</u>	<u>731,709</u>
Fund Balances			
Restricted	198,551	1,832,291	2,030,842
Assigned	215,426	-	215,426
Unrestricted (deficit)	-	-	-
Total Fund Balances	<u>413,977</u>	<u>1,832,291</u>	<u>2,246,268</u>
Total Liabilities and Fund Balances	<u><u>\$ 1,052,992</u></u>	<u><u>\$ 1,924,985</u></u>	<u><u>\$ 2,977,977</u></u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 58,851	\$ 964,358	\$ 1,023,209
Interest	-	218,736	218,736
Intergovernmental	-	50,928	50,928
Charges for services	627,679	-	627,679
Fines and forfeitures	86,365	-	86,365
Investment earnings	-	2,447	2,447
Total Revenues	<u>772,895</u>	<u>1,236,469</u>	<u>2,009,364</u>
Expenditures			
Current:			
Judicial	11,299	-	11,299
Public safety	1,228,265	-	1,228,265
Health and welfare	590	-	590
Housing and development	44,314	-	44,314
Capital Outlay	20,938	1,583,158	1,604,096
Debt Service:			
Principal retirement	-	360,250	360,250
Interest and fiscal charges	-	402,880	402,880
Trustee Fee	-	3,625	3,625
Total Expenditures	<u>1,305,406</u>	<u>2,349,913</u>	<u>3,655,319</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(532,511)</u>	<u>(1,113,444)</u>	<u>(1,645,955)</u>
Other Financing Sources (Uses)			
Transfers in	643,705	178,494	822,199
Transfers out	(679,624)	-	(679,624)
Total Other Financing Sources	<u>(35,919)</u>	<u>178,494</u>	<u>142,575</u>
Net Change in Fund Balances	(568,430)	(934,950)	(1,503,380)
Fund Balances Beginning of Year	<u>982,407</u>	<u>2,767,241</u>	<u>3,749,648</u>
Fund Balances End of Year	<u><u>\$ 413,977</u></u>	<u><u>\$ 1,832,291</u></u>	<u><u>\$ 2,246,268</u></u>

Harris County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Hotel Motel Tax	Emergency 911	Law Library	Mental Health Center	Mental Retardation Center	Drug Abuse Treatment	Jail Fee	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	\$ 4,434	\$ 497,169	\$ 65,608	\$ 92,319	\$ 123,107	\$ 80,098	\$ 40,805	\$ 903,540
Receivables:								
Accounts	13,685	107,139	-	-	-	100	1,473	122,397
Notes	2,950	-	-	-	-	-	-	2,950
Interest	455	-	-	-	-	-	-	455
Interfund	-	-	855	-	-	3,560	6,052	10,467
Prepaid expenses	-	13,183	-	-	-	-	-	13,183
Total Assets	<u>\$ 21,524</u>	<u>\$ 617,491</u>	<u>\$ 66,463</u>	<u>\$ 92,319</u>	<u>\$ 123,107</u>	<u>\$ 83,758</u>	<u>\$ 48,330</u>	<u>\$ 1,052,992</u>
Total Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ 15,538	\$ 3,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,170
Accrued expenditures payable	-	21,796	-	-	-	-	-	21,796
Interfund payable	5,986	592,063	-	-	-	-	-	598,049
Total Liabilities	<u>21,524</u>	<u>617,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,015</u>
Fund Balances								
Restricted	-	-	66,463	-	-	83,758	48,330	198,551
Assigned	-	-	-	92,319	123,107	-	-	215,426
Total Fund Balances	<u>-</u>	<u>-</u>	<u>66,463</u>	<u>92,319</u>	<u>123,107</u>	<u>83,758</u>	<u>48,330</u>	<u>413,977</u>
Total Liabilities and Fund Balances	<u>\$ 21,524</u>	<u>\$ 617,491</u>	<u>\$ 66,463</u>	<u>\$ 92,319</u>	<u>\$ 123,107</u>	<u>\$ 83,758</u>	<u>\$ 48,330</u>	<u>\$ 1,052,992</u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2018

	Hotel Motel Tax	E911	Law Library	Mental Health Center	Mental Retardation Center	Drug Abuse Treatment	Jail Fee	Nonmajor Special Revenue Funds
Revenues								
Taxes	\$ 58,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,851
Charges for services	-	584,560	-	6,000	6,000	31,119	-	627,679
Fines and forfeitures	691	-	10,053	-	-	-	75,621	86,365
Total Revenues	59,542	584,560	10,053	6,000	6,000	31,119	75,621	772,895
Expenditures								
Current:								
Judicial	-	-	11,299	-	-	-	-	11,299
Public safety	-	1,228,265	-	-	-	-	-	1,228,265
Health and Welfare	-	-	-	-	-	590	-	590
Housing and development	44,314	-	-	-	-	-	-	44,314
Capital Outlay	-	-	-	-	-	20,938	-	20,938
Total Expenditures	44,314	1,228,265	11,299	-	-	21,528	-	1,305,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,228	(643,705)	(1,246)	6,000	6,000	9,591	75,621	(532,511)
Other Financing Sources (Uses)								
Transfers in	-	643,705	-	-	-	-	-	643,705
Transfers out	(15,228)	-	-	-	-	-	(664,396)	(679,624)
Total Other Financing Sources (Uses)	(15,228)	643,705	-	-	-	-	(664,396)	(35,919)
Net Change in Fund Balances	-	-	(1,246)	6,000	6,000	9,591	(588,775)	(568,430)
Fund Balances Beginning of Year	-	-	67,709	86,319	117,107	74,167	637,105	982,407
Fund Balances End of Year	\$ -	\$ -	\$ 66,463	\$ 92,319	\$ 123,107	\$ 83,758	\$ 48,330	\$ 413,977

Harris County, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 4,434	\$ 2,473
Accounts receivable	13,685	10,712
Interest receivable	455	-
Note receivable	<u>2,950</u>	<u>-</u>
Total Assets	<u><u>\$ 21,524</u></u>	<u><u>\$ 13,185</u></u>
Liabilities		
Accounts payable	\$ 15,538	\$ 10,032
Interfund payable	<u>5,986</u>	<u>3,153</u>
Total Liabilities	21,524	13,185
Fund Balances		
Unassigned	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u><u>\$ 21,524</u></u>	<u><u>\$ 13,185</u></u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Hotel/Motel Tax Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	Original Budget	Final Budget	2018	Variance With Final Budget	2017
Revenues					
Hotel/Motel taxes	\$ 45,000	\$ 65,000	\$ 58,851	\$ (6,149)	\$ 52,319
Penalties and Interest	-	-	691	691	-
Total Revenues	45,000	65,000	59,542	(5,458)	52,319
Expenditures					
Current					
Housing and development	34,000	54,000	44,314	9,686	39,634
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,000	11,000	15,228	4,228	12,685
Other Financing Uses					
Transfers out - General Fund	(11,000)	(11,000)	(15,228)	(4,228)	(12,685)
Net Changes in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balances Beginning of Year			<u>-</u>		<u>-</u>
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

Harris County, Georgia
E-911 Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 497,169	\$ 654,954
Accounts receivable	107,139	109,974
Prepaid expenses	13,183	11,458
Total Assets	\$ 617,491	\$ 776,386
Liabilities		
Accounts payable	\$ 3,632	\$ 21,711
Accrued expenditures	21,796	19,747
Interfund payable	592,063	734,928
Total Liabilities	\$ 617,491	\$ 776,386

Harris County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services - landline	\$ 160,000	\$ 160,000	\$ 120,983	\$ (39,017)	\$ 159,215
Charges for services - cell	390,000	390,000	416,319	26,319	392,114
Charges for services - prepaid	65,100	65,100	47,214	(17,886)	55,690
Fireworks excise tax	-	-	44	44	-
Total Revenues	615,100	615,100	584,560	(30,540)	607,019
Expenditures					
Current:					
Public safety	1,462,884	1,531,884	1,228,265	303,619	754,104
Excess (Deficiency) of Revenues Over (Under) Expenditures	(847,784)	(916,784)	(643,705)	273,079	(147,085)
Other Financing Sources					
Transfers in	858,779	927,779	643,705	(284,074)	147,085
Net Change in Fund Balances	<u>\$ 10,995</u>	<u>\$ 10,995</u>	-	<u>\$ (10,995)</u>	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			<u>\$ -</u>		<u>\$ -</u>

Harris County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 65,608	\$ 67,709
Interfund receivables	<u>855</u>	<u>-</u>
Total Assets	<u>\$ 66,463</u>	<u>\$ 67,709</u>
Fund Balances		
Restricted for law library	<u>\$ 66,463</u>	<u>\$ 67,709</u>

Harris County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	\$ 9,900	\$ 9,900	\$ 10,053	\$ 153	\$ 13,892
Expenditures					
Current:					
Judicial	9,900	9,900	11,299	(1,399)	6,032
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(1,246)	<u>\$ (1,246)</u>	7,860
Fund Balances Beginning of Year			<u>67,709</u>		<u>59,849</u>
Fund Balances End of Year			<u>\$ 66,463</u>		<u>\$ 67,709</u>

Harris County, Georgia
Mental Health Center Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	<u>\$ 92,319</u>	<u>\$ 86,319</u>
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ -	\$ -
Fund Balances		
Assigned for building maintenance and insurance	<u>92,319</u>	<u>86,319</u>
Total Liabilities and Fund Balances	<u>\$ 92,319</u>	<u>\$ 86,319</u>

Harris County, Georgia
Mental Health Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
Expenditures					
Current:					
Health and welfare	6,000	6,000	-	6,000	-
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,000	<u>\$ 6,000</u>	6,000
Fund Balances Beginning of Year			<u>86,319</u>		<u>80,319</u>
Fund Balances End of Year			<u>\$ 92,319</u>		<u>\$ 86,319</u>

Harris County, Georgia
Mental Retardation Center Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	<u>\$ 123,107</u>	<u>\$ 117,107</u>
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ -	\$ -
Fund Balances		
Assigned for building maintenance and insurance	<u>123,107</u>	<u>117,107</u>
Total Liabilities and Fund Balances	<u>\$ 123,107</u>	<u>\$ 117,107</u>

Harris County, Georgia
Mental Retardation Center Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ 6,000
Expenditures					
Current:					
Health and welfare	6,000	6,000	-	6,000	-
Excess of Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	6,000	<u>\$ 6,000</u>	6,000
Fund Balances Beginning of Year			<u>117,107</u>		<u>111,107</u>
Fund Balances End of Year			<u>\$ 123,107</u>		<u>\$ 117,107</u>

Harris County, Georgia
Drug Abuse Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 80,098	\$ 74,167
Receivables:		
Accounts	100	-
Interfund	<u>3,560</u>	<u>-</u>
Total Assets	<u><u>\$ 83,758</u></u>	<u><u>\$ 74,167</u></u>
Fund Balances		
Restricted for public safety	<u><u>\$ 83,758</u></u>	<u><u>\$ 74,167</u></u>

Harris County, Georgia
Drug Abuse Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	\$ 35,100	\$ 55,100	\$ 31,119	\$ (23,981)	\$ 29,629
Expenditures					
Current:					
Health and welfare	35,100	35,100	590	34,510	-
Capital Outlay	-	20,000	20,938	(938)	55,898
Expenditures	35,100	55,100	21,528	33,572	55,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	9,591	<u>\$ 9,591</u>	(26,269)
Fund Balances Beginning of Year			74,167		100,436
Fund Balances End of Year			<u>\$ 83,758</u>		<u>\$ 74,167</u>

Harris County, Georgia
Jail Fee Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 40,805	\$ 635,924
Receivables:		
Accounts	1,473	1,181
Interfund	<u>6,052</u>	<u>-</u>
Total Assets	<u>\$ 48,330</u>	<u>\$ 637,105</u>
Fund Balances		
Restricted for public safety	<u>\$ 48,330</u>	<u>\$ 637,105</u>

Harris County, Georgia
Jail Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018
(With Comparative Actual Amounts for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Court fees	\$ 620,000	\$ 664,396	\$ 75,621	\$ (588,775)	\$ 83,886
Expenditures					
Current:					
Public safety	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>620,000</u>	<u>664,396</u>	<u>75,621</u>	<u>(588,775)</u>	<u>83,886</u>
Other Financing Uses					
Transfers out - general fund	<u>(620,000)</u>	<u>(664,396)</u>	<u>(664,396)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(588,775)</u>	<u>\$ (588,775)</u>	<u>83,886</u>
Fund Balances Beginning of Year			<u>637,105</u>		<u>553,219</u>
Fund Balances End of Year			<u>\$ 48,330</u>		<u>\$ 637,105</u>

Harris County, Georgia
Comparative Balance Sheet
Callaway Debt Service Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 24,560	\$ 24,560
Notes receivable	<u>1,069,748</u>	<u>1,179,825</u>
Total Assets	<u>\$ 1,094,308</u>	<u>\$ 1,204,385</u>
Liabilities and Fund Balances		
Liabilities		
Unearned revenue	\$ 1,069,748	\$ 1,179,825
Fund Balances		
Restricted for debt service	<u>24,560</u>	<u>24,560</u>
Total Liabilities and Fund Balances	<u>\$ 1,094,308</u>	<u>\$ 1,204,385</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Callaway Debt Service Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Charges for services	\$ 110,076	\$ 106,870
Interest	33,881	37,087
Total Revenues	143,957	143,957
Expenditures		
<i>Debt Service</i>		
Principal	109,526	106,354
Interest	34,431	37,603
Total Expenditures	143,957	143,957
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Fund Balances Beginning of Year	24,650	24,650
Fund Balances End of Year	\$ 24,650	\$ 24,650

Harris County, Georgia
Comparative Balance Sheet
2014 SPLOST Fund
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 1,658,427	\$ 3,500,055
Restricted cash	4,988	1,456
Investments	219,985	220,818
Receivables:		
Accounts	1,799	1,799
Sales taxes	223,894	238,014
Interest	135	135
Interfund	-	-
Total Assets	\$ 2,109,228	\$ 3,962,277
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 91,986	\$ 324,889
Retainage payable	17,248	-
Total Liabilities	109,234	324,889
Fund Balances		
Restricted for capital projects	1,999,994	3,637,388
Total Liabilities and Fund Balances	\$ 2,109,228	\$ 3,962,277

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2014 SPLOST Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Sales taxes	\$ 2,536,820	\$ 2,459,609
Investment earnings	5,434	1,195
Total Revenues	2,542,254	2,460,804
Expenditures		
Intergovernmental	885,176	2,250,822
Capital Outlay	3,294,472	869,430
Total Expenditures	4,179,648	3,120,252
Excess of Revenues Over Expenditures	(1,637,394)	(659,448)
Other Financing Sources (Uses)		
Transfers out	-	-
Other Financing Sources (Uses)	-	-
Net Changes in Fund Balances	(1,637,394)	(659,448)
Fund Balances Beginning of Year	3,637,388	4,296,836
Fund Balances End of Year	\$ 1,999,994	\$ 3,637,388

Harris County, Georgia
Comparative Balance Sheet
Capital Projects Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 273,009	\$ 1,150,899
Intergovernmental receivable	-	377,700
Interfund receivable	<u>221,952</u>	<u>23,000</u>
Total Assets	<u><u>\$ 494,961</u></u>	<u><u>\$ 1,551,599</u></u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 494,961	\$ 515,034
Retainage payable	<u>-</u>	<u>121,397</u>
Total Liabilities	<u>494,961</u>	<u>636,431</u>
Fund Balances		
Restricted for construction	<u>-</u>	<u>915,168</u>
Total Liabilities and Fund Balances	<u><u>\$ 494,961</u></u>	<u><u>\$ 1,551,599</u></u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Capital Projects Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Donations	\$ 842,448	\$ -
Intergovernmental	1,236,082	763,918
Total Revenues	2,078,530	763,918
Expenditures		
<i>Capital Outlay</i>	3,215,649	1,222,980
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(1,137,119)	(459,062)
Other Financing Sources (Uses)		
Transfer in	221,951	1,374,230
Net Changes in Fund Balances	(915,168)	915,168
Fund Balances Beginning of Year	915,168	-
Fund Balances End of Year	\$ -	\$ 915,168

Harris County, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018

	2018						
	1999 SPLOST	2004 SPLOST	2009 SPLOST	CDBG	Public Improvement Authority	Transportation Investment Act	Total Nonmajor Capital Projects Funds
Assets							
Cash and cash equivalents	\$ -	\$ 136,673	\$ -	\$ -	\$ -	\$ 1,482,847	\$ 1,619,520
Restricted cash and cash equivalents	-	-	-	-	221,732	-	221,732
Receivables:							-
Sales taxes	-	-	-	-	-	83,733	83,733
Total Assets	<u>\$ -</u>	<u>\$ 136,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,732</u>	<u>\$ 1,566,580</u>	<u>\$ 1,924,985</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,805	\$ 6,805
Retainage payable	-	-	-	-	-	85,889	85,889
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,694</u>	<u>92,694</u>
Fund Balances							
Restricted	-	136,673	-	-	221,732	1,473,886	1,832,291
Unrestricted (deficit)	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>136,673</u>	<u>-</u>	<u>-</u>	<u>221,732</u>	<u>1,473,886</u>	<u>1,832,291</u>
Total Liabilities Fund Balances	<u>\$ -</u>	<u>\$ 136,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,732</u>	<u>\$ 1,566,580</u>	<u>\$ 1,924,985</u>

Harris County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Funds
For the Year Ended June 30, 2018

	2018						
	1999 SPLOST	2004 SPLOST	2009 SPLOST	CDBG	Public Improvement Authority	Transportation Investment Act	Total Nonmajor Capital Projects Funds
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 50,928	\$ -	\$ 50,928
Taxes	-	-	-	-	-	964,358	964,358
Interest	-	-	-	-	216,000	2,736	218,736
Investment earnings	-	-	925	15	1,507	-	2,447
Total Revenues	-	-	925	15	268,435	967,094	1,236,469
Expenditures							
Current:							
Capital Outlay	-	8,515	1,284,917	-	-	289,726	1,583,158
Debt Service:							
Principal retirement	-	-	-	-	360,250	-	360,250
Interest and fiscal charges	-	-	-	-	402,880	-	402,880
Trustee Fee	-	-	-	-	3,625	-	3,625
Total Expenditures	-	8,515	1,284,917	-	766,755	289,726	2,349,913
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(8,515)	(1,283,992)	15	(498,320)	677,368	(1,113,444)
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	178,494	-	178,494
Transfers out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	178,494	-	178,494
Net Change in Fund Balance	-	(8,515)	(1,283,992)	15	(319,826)	677,368	(934,950)
Fund Balances Beginning of Year	-	145,188	1,283,992	(15)	541,558	796,518	2,767,241
Fund Balances End of Year	\$ -	\$ 136,673	\$ -	\$ -	\$ 221,732	\$ 1,473,886	\$ 1,832,291

Harris County, Georgia
Comparative Balance Sheet
1999 SPLOST Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>
Fund Balances		
Restricted for capital projects	<u>\$ -</u>	<u>\$ -</u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
1999 SPLOST Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Expenditures		
Capital Outlay	\$ -	\$ 58,174
Net Changes in Fund Balances	-	(58,174)
Fund Balances Beginning of Year	-	58,174
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>

Harris County, Georgia
Comparative Balance Sheet
2004 SPLOST Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ 136,673	\$ 145,188
Interfund receivable	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 136,673</u></u>	<u><u>\$ 145,188</u></u>
Liabilities and Fund Balances		
Liabilities		
Interfund loan payable	\$ -	\$ -
Fund Balances		
Restricted for capital projects	<u>136,673</u>	<u>145,188</u>
Total Liabilities and Fund Balances	<u><u>\$ 136,673</u></u>	<u><u>\$ 145,188</u></u>

Harris County, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2004 SPLOST Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Expenditures		
Capital Outlay	\$ 8,515	\$ 8,615
Net Changes in Fund Balances	(8,515)	(8,615)
Fund Balances Beginning of Year	<u>145,188</u>	<u>153,803</u>
Fund Balances End of Year	<u><u>\$ 136,673</u></u>	<u><u>\$ 145,188</u></u>

Harris County, Georgia
Comparative Balance Sheet
2009 SPLOST Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ -	\$ 924,773
Investments	-	467,749
Interest receivable	-	2,311
	<u>-</u>	<u>2,311</u>
Total Assets	<u>\$ -</u>	<u>\$ 1,394,833</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 87,841
Interfund payable	-	23,000
	<u>-</u>	<u>23,000</u>
Total Liabilities	-	110,841
Fund Balances		
Restricted for capital projects	-	1,283,992
	<u>-</u>	<u>1,283,992</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 1,394,833</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2009 SPLOST Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Investment earnings	\$ 925	\$ 3,892
Total Revenues	<u>925</u>	<u>3,892</u>
Expenditures		
Intergovernmental	-	115,031
Capital Outlay	1,284,917	2,308,606
Total Expenditures	<u>1,284,917</u>	<u>2,423,637</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>(1,283,992)</u>	<u>(2,419,745)</u>
Other Financing Sources (Uses)		
Transfer out	-	-
Net Changes in Fund Balances	(1,283,992)	(2,419,745)
Fund Balances Beginning of Year	<u>1,283,992</u>	<u>3,703,737</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ 1,283,992</u></u>

Harris County, Georgia
CDBG Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash and cash equivalents	\$ -	\$ 70
Intergovernmental receivable	<u>-</u>	<u>352,961</u>
Total Assets	<u><u>\$ -</u></u>	<u><u>\$ 353,031</u></u>
Liabilities and Fund Balance		
Liabilities		
Interfund payable	<u>\$ -</u>	<u>\$ 353,046</u>
Fund Balances		
Unrestricted (deficit)	<u>-</u>	<u>(15)</u>
Total Fund Balances	<u>-</u>	<u>(15)</u>
Total Liabilities and Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 353,031</u></u>

Harris County, Georgia
CDBG Fund
Comparative Statement of Expenditures
and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Intergovernmental	\$ -	\$ 246,862
Miscellaneous	<u>15</u>	<u>-</u>
Total Revenues	<u>15</u>	<u>246,862</u>
Expenditures		
Current:		
Housing and development	<u>-</u>	<u>246,877</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	15	(15)
Fund Balances Beginning of Year	<u>(15)</u>	<u>-</u>
Fund Balances End of Year	<u><u>\$ -</u></u>	<u><u>\$ (15)</u></u>

Harris County, Georgia
Comparative Balance Sheet
Public Improvements Authority Fund
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Restricted cash and cash equivalents	<u>\$ 221,732</u>	<u>\$ 556,166</u>
Liabilities and Fund Balances		
Liabilities		
Interfund payable	<u>\$ -</u>	<u>\$ 14,608</u>
Fund Balances		
Restricted for debt service	<u>221,732</u>	<u>541,558</u>
Total Fund Balances	<u>221,732</u>	<u>541,558</u>
Total Liabilities and Fund Balances	<u>\$ 221,732</u>	<u>\$ 556,166</u>

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Public Improvements Authority Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Intergovernmental	\$ 50,928	\$ 103,735
Interest	216,000	216,000
Investment earnings	1,507	794
Total Revenues	268,435	320,529
Expenditures		
<i>Capital Outlay</i>	-	173,046
<i>Debt Service</i>		
Principal	360,250	355,000
Interest	402,880	534,179
Trustee Fee	3,625	3,625
Total Expenditures	766,755	1,065,850
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	(498,320)	(745,321)
Other Financing Sources (Uses)		
Transfers in - general fund	178,494	985,370
Total Other Financing Sources (Uses)	178,494	985,370
Net Changes in Fund Balances	(319,826)	240,049
Fund Balances Beginning of Year	541,558	301,509
Fund Balances End of Year	\$ 221,732	\$ 541,558

Harris County, Georgia
Comparative Balance Sheet
Transportation Investment Act Fund
June 30, 2018 and 2017

	2018	2017
Assets		
Cash and cash equivalents	\$ 1,482,847	\$ 717,366
Taxes receivable	83,733	79,152
Total Assets	\$ 1,566,580	\$ 796,518
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 6,805	\$ -
Retainage payable	85,889	-
Total Liabilities	92,694	-
Fund Balances		
Restricted for capital projects	1,473,886	796,518
Total Fund Balance	1,473,886	796,518
Total Liabilities and Fund Balances	\$ 1,566,580	\$ 796,518

Harris County, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
Transportation Investment Act Fund
For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Revenues		
Taxes	\$ 964,358	\$ 924,616
Interest	2,736	-
Total Revenues	<u>967,094</u>	<u>924,616</u>
Expenditures		
Capital Outlay	<u>289,726</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>677,368</u>	<u>924,616</u>
Net Changes in Fund Balances	677,368	924,616
Fund Balances Beginning of Year	<u>796,518</u>	<u>(128,098)</u>
Fund Balances End of Year	<u><u>\$ 1,473,886</u></u>	<u><u>\$ 796,518</u></u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water Works Fund
June 30, 2018 and 2017

Assets	2018	2017
Current Assets:		
Cash and cash equivalents	\$ 1,196,678	\$ 1,028,926
Restricted cash	752,513	744,417
Investments	2,494,776	2,489,793
Receivable:		
Accounts (net)	460,309	476,631
Interest	990	889
Prepaid items	35,091	22,379
Inventories	191,927	175,154
Total Current Assets	5,132,284	4,938,189
Noncurrent Assets:		
Capital assets:		
Nondepreciable	5,743,625	8,456,832
Depreciable, net	16,157,766	13,741,643
Total Noncurrent Assets	21,901,391	22,198,475
Deferred Outflows of Resources	225,846	293,287
Total Assets and Deferred Outflows of Resources	27,259,521	27,429,951
Liabilities		
Current Liabilities:		
Accounts payable	91,540	11,132
Accrued expenses payable	56,963	51,405
Accrued interest payable	11,898	13,464
Interfund payable	(2,100)	41,627
Customer deposits payable	457,629	446,319
Compensated absences payable	44,195	41,566
Revenue bonds payable	485,000	470,000
GEFA loans payable	120,403	10,256
Total Current Liabilities	1,265,528	1,085,769
Long-term Liabilities (net of current portion):		
Compensated absences payable	11,049	10,392
Revenue bonds payable	5,125,015	5,622,759
GEFA loans payable	2,409,639	2,477,542
Net pension liability	407,874	511,651
Total Long-term Liabilities	7,953,577	8,622,344
Total Liabilities	9,219,105	9,708,113
Deferred Inflows of Resources	95,926	27,366
Total Liabilities and Deferred Inflows of Resources	9,315,031	9,735,479
Net Position		
Net investment in capital assets	13,761,334	13,617,918
Restricted	294,814	287,631
Unrestricted	3,888,342	3,788,923
Total Net Position	\$ 17,944,490	\$ 17,694,472

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Revenues		
Charges for services	\$ 4,879,154	\$ 5,085,926
Operating Expenses		
Personal services	1,646,384	1,544,746
Purchased services	1,315,644	1,447,096
Materials and supplies	604,229	319,471
Depreciation	756,905	712,126
Total Operating Expenses	4,323,162	4,023,439
Operating Income	555,992	1,062,487
Non-Operating Revenues (Expenses)		
Investment earnings	9,935	7,381
Interest and fiscal charges	(315,909)	(231,766)
Total Non-Operating Revenues (Expenses)	(305,974)	(224,385)
Income Before Transfers In and Contributions	250,018	838,102
Contributions	-	173,046
Change in Net Position	250,018	1,011,148
Net Position Beginning of Year	17,694,472	16,683,324
Net Position End of Year	\$ 17,944,490	\$ 17,694,472

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 4,906,786	\$ 5,164,972
Cash payments to employees for services	(1,637,540)	(1,538,696)
Cash payments for goods and services	<u>(1,868,950)</u>	<u>(1,758,205)</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,400,296</u>	<u>1,868,071</u>
Cash Flows from Noncapital Financing Activities		
Interfund payable	<u>(43,727)</u>	<u>(362,834)</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(43,727)</u>	<u>(362,834)</u>
Cash Flows from Capital and Related Financing Activities		
Principal paid on GEFA loan	(15,694)	(10,256)
Principal paid on revenue bonds	(470,000)	(450,000)
Interest paid on capital debt	(240,058)	(168,323)
Acquisition of capital assets	<u>(459,820)</u>	<u>(508,726)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,185,572)</u>	<u>(1,137,305)</u>
Cash Flows from Investing Activities		
Investment earnings	<u>9,834</u>	<u>7,791</u>
Net Increase (Decrease) in Cash and Cash Equivalents	180,831	375,723
Cash and Cash Equivalents Beginning of Year	<u>4,263,136</u>	<u>3,887,413</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 4,443,967</u></u>	<u><u>\$ 4,263,136</u></u>
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ 1,196,678	\$ 1,028,926
Restricted	752,513	744,417
Investments	<u>2,494,776</u>	<u>2,489,793</u>
Total Cash and Cash Equivalents	<u><u>\$ 4,443,967</u></u>	<u><u>\$ 4,263,136</u></u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water Works Fund
For the Years Ended June 30, 2018 and 2017

(continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 555,992	\$ 1,062,487
Adjustments:		
Depreciation and amortization	756,905	712,126
(Increase) Decrease in Assets:		
Accounts receivable	16,322	73,196
Prepaid items	(12,712)	10,109
Inventories	(16,773)	(3,272)
Increase (Decrease) in Liabilities:		
Accounts payable	80,408	1,525
Accrued expenses payable	5,558	4,464
Customer deposits	11,310	5,850
Compensated absences payable	<u>3,286</u>	<u>1,586</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,400,296</u>	<u>\$ 1,868,071</u>
Non-cash Capital Activities:		
Non-cash contributions from the public improvements authority fund related to the construction of capital assets	<u>\$ -</u>	<u>\$ 173,046</u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
June 30, 2018 and 2017

Assets	2018	2017
Current Assets:		
Cash and cash equivalents	\$ 768,797	\$ 5,348,051
Investments	4,384,712	1,516,517
Receivable:		
Accounts (net)	45,721	40,133
Interest	1,308	3,200
Prepaid items	9,588	10,159
Total Current Assets	5,210,126	6,918,060
Noncurrent Assets:		
Capital assets:		
Nondepreciable	199,250	199,250
Depreciable, net	1,015,442	862,755
Total Noncurrent Assets	1,214,692	1,062,005
Total Assets	6,424,818	7,980,065
Deferred Outflows of Resources	43,377	68,281
Total Assets and Deferred Outflows of Resources	6,468,195	8,048,346
Liabilities		
Current Liabilities:		
Accounts payable	35,290	69,471
Accrued expenses payable	16,194	16,376
Interfund payable	(275,100)	1,541,272
Compensated absences payable	12,436	12,836
Closure and postclosure care payable	26,660	-
Capital leases payable	29,098	204,457
Total Current Liabilities	(155,422)	1,844,412
Long-term Liabilities (net of current portion):		
Compensated absences payable	3,109	3,209
Closure and postclosure care payable	175,690	220,490
Capital leases payable	9,478	38,575
Net pension liability	161,456	201,742
Total Long-term Liabilities	349,733	464,016
Total Liabilities	194,311	2,308,428
Deferred Inflows of Resources	37,238	14,083
Total Liabilities and Deferred Inflows of Resources	231,549	2,322,511
Net Position		
Net investment in capital assets	1,176,116	818,973
Unrestricted	5,060,530	4,906,862
Total Net Position	\$ 6,236,646	\$ 5,725,835

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Revenues		
Charges for services	\$ 2,052,709	\$ 2,004,931
Intergovernmental revenue	5,248	-
Miscellaneous revenue	26,307	-
Total Operating Revenues	2,084,264	2,004,931
Operating Expenses		
Personal services	585,974	630,459
Purchased services	164,039	131,080
Purchased services - tipping fees	432,427	545,746
Materials and supplies	160,799	122,872
Depreciation	267,423	270,090
Total Operating Expenses	1,610,662	1,700,247
Operating Income	473,602	304,684
Non-Operating Revenues (Expenses)		
Investment earnings	41,625	19,678
Interest and fiscal charges	(4,416)	(7,323)
Total Non-Operating Revenues (Expenses)	37,209	12,355
Change in Net Position	510,811	317,039
Net Position Beginning of Year	5,725,835	5,408,796
Net Position End of Year	\$ 6,236,646	\$ 5,725,835

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 2,052,709	\$ 2,004,931
Cash payments to employees for services	(666,546)	(653,115)
Cash payments for goods and services	<u>(695,386)</u>	<u>(696,434)</u>
Net Cash Provided by (Used in) Operating Activities	<u>690,777</u>	<u>655,382</u>
Cash Flows from Noncapital Financing Activities		
Interfund payable	<u>(1,816,372)</u>	<u>177,504</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(1,816,372)</u>	<u>177,504</u>
Cash Flows from Capital and Related Financing Activities		
Principal paid on capital leases	(204,456)	(78,560)
Interest paid on notes	(4,416)	(7,323)
Acquisition of capital assets	<u>(420,109)</u>	<u>(304,740)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(628,981)</u>	<u>(390,623)</u>
Cash Flows from Investing Activities		
Investment earnings	<u>43,517</u>	<u>20,209</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,711,059)	462,472
Cash and Cash Equivalents Beginning of Year	<u>6,864,568</u>	<u>6,402,096</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 5,153,509</u></u>	<u><u>\$ 6,864,568</u></u>
Reconciliation to Statement of Net Position		
Cash and cash equalivalents	\$ 768,797	\$ 5,348,051
Investments	<u>4,384,712</u>	<u>1,516,517</u>
Total Cash and Cash Equivalents	<u><u>\$ 5,153,509</u></u>	<u><u>\$ 6,864,568</u></u>

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended June 30, 2018 and 2017

(continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 473,602	\$ 304,684
Adjustments:		
Depreciation and amortization	267,423	270,090
(Increase) Decrease in Assets:		
Accounts receivable	(5,588)	1,260
Prepaid items	571	5,540
Increase (Decrease) in Liabilities:		
Accounts payable	(34,181)	69,471
Accrued expenses payable	(182)	1,734
Compensated absences payable	(500)	(635)
Other net	<u>(10,368)</u>	<u>3,238</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 690,777</u>	<u>\$ 655,382</u>

Harris County, Georgia
Comparative Statement of Net Position
Proprietary Fund - Airport Fund
June 30, 2018 and 2017

	2018	2017
Assets		
Current Assets:		
Accounts receivable - other	\$ 10,091	\$ -
Intergovernmental receivable	-	92,675
Prepaid items	484	595
Inventories	36,045	18,252
Total Current Assets	46,620	111,522
Noncurrent Assets:		
Capital assets:		
Nondepreciable	567,911	255,021
Depreciable, net	7,407,118	7,605,672
Total Noncurrent Assets	7,975,029	7,860,693
Total Assets	8,021,649	7,972,215
Deferred Outflow of Resources	6,015	5,928
Total Assets and Deferred Inflows	8,027,664	7,978,143
Liabilities		
Current Liabilities:		
Accounts payable	208,995	834
Retainage payable	14,862	69,290
Accrued expenses payable	2,525	2,028
Compensated absences payable	1,181	1,860
Interfund payable	1,065,268	875,630
Total Current Liabilities	1,292,831	949,642
Long-term Liabilities (Net of current portion)		
Compensated absences payable	295	465
Net pension liability	12,312	17,898
Total Long-term Liabilities	12,607	18,363
Total Liabilities	1,305,438	968,005
Deferred Inflows of Resources	5,164	677
Total Liabilities and Deferred Inflows of Resources	1,310,602	968,682
Net Position		
Investment in capital assets	7,975,029	7,860,693
Unrestricted (deficit)	(1,257,967)	(851,232)
Total Net Position	\$ 6,717,062	\$ 7,009,461

Harris County, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Revenues		
Hanger fees	\$ 93,381	\$ 75,692
Fuel sales	248,694	265,127
Total Operating Revenues	342,075	340,819
Operating Expenses		
Personal services	81,214	67,869
Cost of sales	234,071	253,171
Purchased services	63,417	55,223
Materials and supplies	22,799	3,176
Depreciation	284,551	165,871
Total Operating Expenses	686,052	545,310
Operating Loss Before Contributions and Transfers In	(343,977)	(204,491)
Contributions	51,578	578,962
Transfer In	76,358	76,358
Total Contributions and Transfers In	51,578	655,320
Change in Net Position	(292,399)	450,829
Net Position Beginning of Year, as Restated	7,009,461	6,558,632
Net Position End of Year	\$ 6,717,062	\$ 7,009,461

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2018 and 2017

	2018	2017
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 342,075	\$ 340,819
Cash payments to employees for services	(82,063)	(63,205)
Cash payments for goods and services	(184,925)	(1,229,959)
Net Cash Provided by (Used in) Operating Activities	75,087	(952,345)
Cash Flows from Noncapital Financing Activities		
Accounts receivable	(10,091)	-
Intergovernmental receivable	92,675	1,250,689
Interfund payable	189,638	(877,351)
Net Cash Provided by (Used in) Noncapital Financing Activities	272,222	373,338
Cash Flows from Capital and Related Financing Activities		
Capital grants	51,578	578,962
Acquisition of capital assets	(398,887)	(76,313)
Transfers in	-	76,358
Net Cash Provided by (Used in) Capital and Related Financing Activities	(347,309)	579,007
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Beginning of Year	-	-
Cash and Cash Equivalents End of Year	\$ -	\$ -
Reconciliation to Statement of Net Position		
Cash and cash equivalents	\$ -	\$ -
Investments	-	-
Total Cash and Cash Equivalents	\$ -	\$ -

(continued)

Harris County, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Airport Fund
For the Years Ended June 30, 2018 and 2017

(continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Loss	\$ (343,977)	\$ (204,491)
Adjustments:		
Depreciation and amortization	284,551	165,871
(Increase) Decrease in Assets:		
Prepaid items	111	(188)
Inventories	(17,793)	29,835
Increase (Decrease) in Liabilities:		
Accounts payable	208,161	(691,642)
Retainage payable	(54,428)	(253,767)
Accrued expenses payable	497	130
Compensated absences payable	(849)	1,049
Other net	(1,186)	858
Net Cash Provided by (Used in) Operating Activities	<u>\$ 75,087</u>	<u>\$ (952,345)</u>

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2018

During fiscal year 1999, the County began collections of a five year special sales tax, which expired in 2004.
The County has ceased collection of these funds, and all funds have been spent.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Road improvements	\$ 5,207,000	\$ 3,513,260	\$ 0	\$ 3,513,260
Parking deck	250,000	57,661	0	57,661
Fire trucks and equipment	878,000	993,490	0	993,490
Courthouse renovation	700,000	714,024	0	714,024
Courthouse renovation-furniture	130,000	128,139	0	128,139
800 Mhz Radios	600,000	623,114	0	623,114
Radio Tower	1,250,000	1,246,289	0	1,246,289
Water line extension	600,000	600,000	0	600,000
Parks	500,000	500,000	0	500,000
Cities				
Shiloh	25,000	25,000	0	25,000
Pine Mountain	200,000	200,000	0	200,000
Waverly Hall	200,000	200,277	0	200,277
Computers	360,000	360,000	0	360,000
Mtn Hill Library	100,000	99,874	0	99,874
Totals	<u>\$ 11,000,000</u>	<u>\$ 9,261,128</u>	<u>\$ 0</u>	<u>\$ 9,261,128</u>

During fiscal year 2004, the County began collections of a five year special sales tax which expired in May 2009.
The County has ceased collection of these funds, but previously collected funds are still being expended.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Cities				
Hamilton	\$ 173,000	\$ 173,000	\$ 0	\$ 173,000
Pine Mountain	436,000	441,249	0	441,249
Shiloh	165,000	162,118	0	162,118
Waverly Hall	276,000	276,000	0	276,000
West Point	276,000	276,000	0	276,000
Parks	600,000	370,737	8,515	379,252
Economic Development	3,500,000	3,500,000	0	3,500,000
Walking Trail	100,000	100,001	0	100,001
Community Center	800,000	800,000	0	800,000
EMS & Fire Services	500,000	451,971	0	451,971
Roads	7,174,000	6,490,184	0	6,490,184
Totals	<u>\$ 14,000,000</u>	<u>\$ 13,041,260</u>	<u>\$ 8,515</u>	<u>\$ 13,049,775</u>

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2018

During fiscal year 2009, the County began collections of a five year special sales tax which expired in April 2014.

The County has ceased collection of these funds, and all funds have been spent.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Economic Development	\$ 2,000,000	\$ 1,991,299	\$ 0	\$ 1,991,299
Library	1,500,000	1,574,144	0	1,574,144
Recreation	2,200,000	2,200,000	0	2,200,000
EMS/Fire	2,000,000	1,974,440	0	1,974,440
Roads	10,930,000	1,285,462	1,284,917	2,570,379
Cities				
Hamilton	350,000	349,999	0	349,999
Pine Mountain	765,000	765,000	0	765,000
Shiloh	290,000	290,000	0	290,000
Waverly Hall	500,000	616,250	0	616,250
West Point	465,000	348,750	0	348,750
Totals	<u>\$ 21,000,000</u>	<u>\$ 11,395,344</u>	<u>\$ 1,284,917</u>	<u>\$ 12,680,261</u>

During fiscal year 2014, the County began collections of a five year special sales tax. The fund will continue to collect these taxes through April 2019.

Expenditures to date are as follows:

Project	Original estimated cost	Expenditures		
		Prior Years	Current Year	Total
Economic Development	\$ 1,000,000	\$ 528,359	\$ 265,247	\$ 793,606
Public Library Construction	500,000	0	500,000	500,000
Recreation	1,000,000	81,364	14,428	95,792
Public Safety	80,000	0	66,578	66,578
Fire	2,701,000	181,596	2,418,830	2,600,426
Water System Improvements	1,000,000	176,526	29,389	205,915
AgriCenter	500,000	165,363	0	165,363
Roads		0		0
County	2,500,000	356,716	0	356,716
Cities				
Hamilton	300,000	165,798	53,570	219,368
Pine Mountain	961,000	531,991	173,464	705,455
Shiloh	370,000	204,606	66,324	270,930
Waverly Hall	2,177,000	1,203,883	390,294	1,594,177
West Point	1,125,000	622,046	201,524	823,570
Debt reduction/public safety/roads/airport	4,786,000	86,429	0	86,429
Totals	<u>\$ 19,000,000</u>	<u>\$ 4,304,677</u>	<u>\$ 4,179,648</u>	<u>\$ 8,484,325</u>

See Independent Auditor's Report.

HARRIS COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2018

The table below reflects the status of the above sales tax projects:

Year began	Authorized amount to be collected	Amount collected to date	Interest collected to date	Expenditures to date	Amount available for future expenditures
1999	<u>\$ 11,000,000</u>	<u>\$ 8,904,142</u>	<u>\$ 356,986</u>	<u>\$ 9,261,128</u>	<u>\$ -</u>
2004	<u>\$ 14,000,000</u>	<u>\$ 12,558,478</u>	<u>\$ 627,970</u>	<u>\$ 13,049,775</u>	<u>\$ 136,673</u>
2009	<u>\$ 21,000,000</u>	<u>\$ 12,613,034</u>	<u>\$ 67,227</u>	<u>\$ 12,680,261</u>	<u>\$ -</u>
2014	<u>\$ 19,000,000</u>	<u>\$ 10,418,972</u>	<u>\$ 19,311</u>	<u>\$ 8,484,325</u>	<u>\$ 1,953,958</u>

Independent Auditor's Report on Internal Control over Financial Reporting
And on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Harris County Board of Commissioners
Harris County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harris County, Georgia (the "County") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2018. Our report includes a reference to other auditors who audited the financial statements of the Harris County Health Department, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2018-1 described in the schedule of findings and responses to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance required to be reported under Government Auditing Standards.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

December 18, 2018

Harris County, Georgia
Schedule of Findings and Responses
For the year ended June 30, 2018

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

2018-1 Limited Segregation of Duties

Condition and Criteria – Limited segregation of duties in certain County offices is presently in place.

Cause – Due to the limited number of employees in the finance department and certain other County offices, there is not adequate segregation of duties as it relates to certain accounting procedures, the financial reporting process and the information technology environments.

Effect – The resulting effect is increased risk of errors and irregularities that could lead to misstatement of the financial statements.

Recommendation –The Board of Commissioners and management should be conscious of this limited segregation of duties and provide for adequate review of all financial information and provide oversight where practical. In addition, steps should be taken to ensure adequate controls are in place over computer hardware and software components to protect and safeguard financial and personnel data.

Response – The County concurs with the auditor’s recommendation and will provide appropriate oversight.

*Harris County, Georgia
Schedule of Prior Year Findings
For the year ended June 30, 2018*

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

MATERIAL WEAKNESSES

2017-1 Limited Segregation of Duties

Condition and Criteria – Limited segregation of duties in certain County offices is presently in place.

Status – Unresolved: See current year compliance finding 2018-1.

FINDINGS RELATED TO COMPLIANCE

2017-2 Late filing of audited financial statements

Condition and Criteria – State statutes require local governments forward a copy of their annual audit report to the State Auditor for review within 180 days after the close of the local government's fiscal year as outlined in Georgia Code 36-81-7.

Status – Resolved: The County has provided its annual audit report to the State Auditor timely.